UNITED NATIONS

General Assembly

FORTY-FIFTH SESSION

Official Records

FIFTH COMMITTEE
33rd meeting
held on
Wednesday, 21 November 1990
at 3 p.m.
New York

SUMMARY RECORD OF THE 33rd MEETING

Chairman: Mr. KOULYK (Ukrainian Soviet Socialist Republic)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 119: PROGRAMME PLANNING (continued)

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In the absence of the Chairman, Mr. Koulyk (Ukrainian Soviet Socialist Republic), Vice-Chairman, took the Chair.

The meeting was called to order at 3.40 p.m.

AGENDA ITEM 119: PROGRAMME PLANNING (continued) (A/45/3, A/45/6, A/45/16 (Part I) and Add.1 and A/45/16 (Part II), A/45/204, A/45/218 and Corr.1 and Add.1 and Add.1/Corr.1, A/45/279 and A/45/617; A/C.5/45/42; A/C.5/45/CRP.1)

1. Mr. BAUDOT (Director, Programme Planning and Budget Division), responding to a number of questions raised by the representative of Cuba, said that the Committee for Programme and Co-ordination (CPC) had been provided with an informal paper showing the relationship between the structures of the proposed medium-term plan and the current plan, and he would be happy to make that paper available to the Fifth Committee informally. While the Secretary-General had been unable to determine exactly the financial resources needed to implement the proposed plan, CPC had in fact received an informal paper indicating the resources required for the proposed major programmes for the biennium 1990-1991. That paper, too, could be made available informally to the Fifth Committee. As to why some of the proposed programmes, in particular programme 1, had not been reviewed, he said that great progress had been made in the process of involving subsidiary bodies in the consultation process since the preparation of the previous medium-term plan. Generally, there had been two reasons why subsidiary bodies had not been consulted. One was what the Chairman of the Advisory Committee on Administrative and Budgetary Questions had termed the lack of a planning culture; quite simply, no one had thought of consulting certain bodies. The other was that in certain cases, such as programmes 1 and 7, the mandate of the bodies that had seemed appropriate was actually too limited. In the case of programme 11, there was obviously no subsidiary body for overall issues and policies. He would continue to encourage the Secretariat to intensify the consultation process during the preparation of the next medium-term plan and the revision of the current plan, scheduled for 1992. With the encouragement of the Committee, the Secretariat could be asked to submit its outline to legislative bodies, including those not consulted on the draft plan under consideration.

2. Turning to the questions raised by the representative of Brazil, and specifically the question of the legislative mandate for the activities to be carried out under subprogramme 3 of programme 1, he said that the Office for Research and the Collection of Information (ORCI) had been established relatively recently, which meant that its mandate was still somewhat unclear. All the activities under subprogramme 3 described in subparagraphs 1.20 (a) through (e) of document A/45/6 (Prog. 1) were taken from a Secretary-General's Bulletin issued in October 1988. While it was understood that Secretary-General's Bulletins should not be considered legal authority in drawing up a medium-term plan, they could be referred to in determining whether a body should perform certain activities. With respect to the mandate provided by General Assembly resolution 44/167 on human rights and mass exoduses, he reminded the Committee that CPC had wished to put the activities requested in that resolution under programme 36 on refugees. The Secretary-General had preferred to include them under subprogramme 3 of

(Mr. Baudot)

programme 1, perhaps because resolution 44/164 provided for early-warning activities, which were within the purview of ORCI. Since the plan was supposed to provide a framework for future United Nations activities, it was important for ORCI to be able to advise the Secretary-General on possible future refugee flows.

3. The Secretariat had drawn up a 45-page summary of the views expressed in the Fifth Committee in the course of its discussion of item 119, and he would discuss with the Committee how those views would be taken into account at a later date. However, it was already obvious that the proposed medium-term plan had elicited a more lively discussion and was a more useful instrument than in the past. As to the criticisms that the proposed plan was too verbose, he said that it was sometimes necessary to include reference to abstract ideas when stating long-term goals.

4. Ms. BERENGUER (Brazil) said that she wished to make clear that, in the opinion of her delegation, ORCI had a very definite mandate in the area of predicting refugee flows under General Assembly resolution 44/164, of which her country had been a sponsor. What her delegation questioned was the appropriateness of including such essentially humanitarian activities under major programme I, which dealt with issues of peace and security. However, she understood that the issue was subject to further consultations. She agreed that a Secretary-General's Bulletin could not be cited as legislative authority and thought that the question of what constituted a valid legislative mandate should be decided at the current stage. In her opinion, mandates could basically be derived only by General Assembly resolutions.

5. Mr. MAJOLI (Italy), speaking on behalf of the 12 States Members of the European Community, said that he wished to confirm his previous statement that the point addressed in the letter from the Permanent Representative of Cuba to the Chairman of the Special Political Committee (A/C.5/45/42, annex I) was not specifically connected with administrative or budgetary questions and was therefore not within the exclusive province of the Fifth Committee. He supported the Chairman in his intention to take the matter up with the Chairman of the Special Political Committee, bearing in mind its relevance to other Main Committees and principal organs of the United Nations.

6. Ms. GOICOCHEA (Cuba) concurred with the representative of Brazil that the problem with subprogramme 3 of programme 1 was not its reference to General Assembly resolution 44/164 or the role of ORCI in it. Resolution 44/164, paragraph 7, provided a specific mandate for those activities, but only under programmes 35 and 36. To date, there was no justification for the inclusion of those activities in subprogramme 3, and she agreed with the representative of Brazil that the issue warranted further discussion.

7. As for the question of what did or did not constitute a legal legislative mandate, like the representative of Brazil, she was not entirely in agreement with the criteria proposed by the Director of the Programme Planning and Budget Division. She preferred to abide by the definition given in regulation 3.2 and elsewhere of the Regulations and Rules Governing Programme Planning.

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(Ms. Goicochea, Cuba)

8. In application of General Assembly resolution 36/228, section I, appropriate chapters of the proposed medium-term plan had been submitted to the Main Committees so that their views could be taken into account in the plan before it was transmitted to the Assembly for adoption. However, some Committees had not devoted a full meeting to the consideration of the medium-term plan, and decisions had been taken in great haste. In some cases, the topic had not been indicated in the programme of work of the Committee. As a result, her delegation had been unable to express its opinion on the issue in question at the appropriate time and place and had done so instead in a letter to the Chairman of the Special Political Committee. She agreed with the representative of Italy that the topic should be considered in the context of the Special Political Committee and the various other Committees, since the Fifth Committee could not legislate on an issue of that nature.

9. As the Director of the Programme Planning and Budget Division had said, many of the shortcomings in the consultation process were due to the lack of a planning culture, which was also demonstrated by the comments received from the Second and Third Committees.

10. Mr. DANKWA (Ghana) said that the roles of the Main Committees in formulating the medium-term plan needed to be clarified. The purpose of submitting the various chapters of the proposed plan to them was to have them verify that the programmes in it faithfully reflected the mandate that they had given to the Secretary-General in those areas. It was not surprising that the First Committee, the Special Political Committee and other Committees had not taken any position on the issue in question, since it was purely conceptual and did not concern the implementation of their resolutions. However, the task of the Fifth Committee was to ensure that programmes made sense, which meant that it had a duty to discuss and clarify conceptual questions. The issue at hand was whether Articles 33 and 99 of the Charter could be cited as valid authority for peace-making activities, and the Fifth Committee should not refuse to deal with it simply because the General Assembly had not yet acted. Until the term "peace-making" had been clearly defined, it would remain subject to different interpretations, and there would be continued concern over the use of that concept to justify interference in the internal affairs of sovereign States. Pending a clear definition of that concept, one solution might be to review and combine the three subprogrammes under one programme, to be entitled "Peaceful resolution of disputes".

11. Ms. GOICOCHEA (Cuba) said that programme 4 should include specific activities relating to the International Decade for the Eradication of Colonialism.

12. Under programme 7, paragraph 7.8 should include some reference to the link between disarmament and development. The reference in paragraph 7.19 covered only matters of co-ordination. Her delegation would like to know the legal basis for the fourth sentence in paragraph 7.8, which described efforts by only a small group of States as "multilateral". Subprogramme 4 of programme 7 should include some activities directly related to peace, security, and threats thereto.

(Ms. Goicochea, Cuba)

13. Programme 8 was generally consistent with its mandate, although implementation was obviously very much affected by a lack of financial resources. In paragraph 8.9, her delegation felt, despite the recommendation of CPC, that the words "is necessary" should be retained in the second sentence and that the efforts mentioned in the last sentence should be described as being of benefit to all countries, while bearing in mind the needs of the developing countries. The second sentence of paragraph 8.15, as amended by CPC, should include a reference to use of the training capacities of the United Nations Programme on Space Applications.

14. Her delegation questioned the references to peace-making in the context of programme 9. Also, in paragraph 9.33, it would appreciate clarification from the Secretariat as to the logic for linking international terrorism, drug-trafficking and the degradation of the environment. In paragraph 9.39, the reference to an international criminal court was inappropriate, given that no final decision had yet been taken on that subject.

15. Mr. MONTHE (Cameroon) asked how the Secretariat had assisted the other Main Committees in their examination of those chapters of the proposed medium-term plan which were submitted to them. He also wondered whether the intention had been that the Committees should adopt joint positions on such chapters or simply transmit the views of their members to the Fifth Committee and, if some Main Committees were now to be asked to consider those views in detail, whether the Fifth Committee would have to await further comments before proceeding with its consideration of the item.

16. Mr. LOPEZ (Venezuela) said that paragraph 16.17 of document A/45/6 made very specific references, in the context of climate change, to increases in global mean temperatures and the sea level and to a doubling of carbon dioxide concentrations, despite the absence of any scientific consensus on those issues. While agreeing on the need for a general mention of climate change as a significant environmental threat, his delegation felt that such specific references should be deleted from the text of the proposed medium-term plan.

17. Mr. KINCHEN (United Kingdom) believed that many, if not all, delegations could suggest improvements to chapters under major programme I. He suggested, in accordance with the recommendation of CPC, that high priority be assigned to subprogramme 1 of programme 2, and that a number of amendments be made to the narrative of that subprogramme. In paragraph 2.11 (a), the whole list of subsidiary bodies following the first occurrence of the words "the plan period" should be deleted. In paragraph 2.11 (b), a full stop should be placed after the first occurrence of the words "Security Council" and the rest of that subparagraph deleted.

18. Under programme 7, legislative mandates adopted more than five years previously should be deleted from paragraph 7.29, in accordance with the Regulations and Rules Governing Programme Planning. His delegation also questioned why CPC should have decided to recommend the deletion from paragraph 7.34 (a) of the words "accurate, objective, topical and useful".

(Mr. Kinchen, United Kingdom)

19. It was far from clear that such a redrafting exercise constituted a proper use of the Committee's time in formal meetings. His delegation would, however, join in that exercise if necessary, recognizing the need to reach some conclusion on the proposed medium-term plan. While awaiting with interest the Secretariat's response to points raised by the representative of Cameroon, his delegation would prefer to proceed towards the formulation of a draft resolution through informal consultations rather than by extending the general debate.

20. Ms. BERENGUER (Brazil) said that her delegation was pleased to note the views expressed by members of the Second Committee on programmes 12 and 13, as reflected in the summary record of that Committee's 29th meeting (A/C.2/45/SR.29). Although those views did not represent the opinion of the Committee as a whole, they had been voiced by an important group and did not appear to have been opposed. Under programme 12, her delegation believed that high priority should be assigned to the very important issues addressed in subprogrammes 3 and 6. The narrative of neither programme 12 nor programme 13 appeared, despite references to resolutions, adequately to reflect agreements reached in the course of the eighteenth special session of the General Assembly. High priority should also be assigned to subprogramme 4 of programme 13, with specific attention to matters of financing and the transfer of environmentally sound technology.

21. Her delegation had very serious concerns in connection with programme 16. A new "environment culture" had emerged since the adoption of General Assembly resolution 44/228. Preparations for the United Nations Conference on Environment and Development to be held in 1992 should be duly reflected. The programme appeared to be concentrated exclusively on the medium-term plan for the United Nations Environment Programme, without recognizing the wider scope of the medium-term plan of the Organization as a whole. The specific reference in subprogramme 9 to the concept of environmental security, which had not been accepted by the General Assembly, should be deleted from the narrative.

22. Her delegation shared the concerns expressed by the representative of Cuba with respect to any proposed linkage between the environment and drug-trafficking and terrorism.

23. In conclusion, her delegation failed to see the logic behind the inclusion of peace-making under the list of objectives for subprogramme 1 of programme 38. It too looked forward to informal consultations: without wishing to dwell on minor drafting amendments, it recognized the Committee's responsibility to see General Assembly mandates properly reflected.

24. Mr. BELHAJ (Tunisia) asked whether the Committee intended to use open meetings for detailed discussion of each programme or to proceed directly to informal consultations in that connection.

25. Mr. DINU (Romania) felt that only general statements should be made in formal meetings. He suggested that the Chairman might wish to give some guidance to the Committee as to how it might proceed with its work.

26. The CHAIRMAN said that the main purpose of the previous and the current meetings had been to obtain the Committee's reactions to the outcome of the letter sent by the Chairman of the Fifth Committee, through the President of the General Assembly, to the Chairman of the other Main Committees, as summarized in document A/C.5/45/42. The Committee must now decide how to proceed in the virtual absence of any comments by the Main Committees. As the Director of the Programme Planning and Budget Division had indicated, the Secretariat had already prepared a summary of the debates in the Fifth Committee on the proposed medium-term plan. The Chairman of CPC had also been present throughout those deliberations. Further, the representative of Cameroon had agreed to chair the informal consultations and to act as a focal point in regard to the proposed medium-term plan.

27. Mr. BAUDOT (Director, Programme Planning and Budget Division) said in reply to the question about the role played by the Secretariat in consulting the Main Committees that, in accordance with the usual practice, it had been informally indicated to the secretaries of the various Committees that the Secretariat was available to help in introducing the various items or replying to questions, if any. He recalled that, in the case of the Second and Third Committees, the Director-General for Development and International Economic Co-operation had introduced the items concerning the programmes of interest to those Committees. He emphasized that, again according to the usual practice, what the Chairman of the Fifth Committee had asked for was not the jointly agreed and formalized recommendations of the Main Committees but the views of Committee members. That was in conformity with the role of the various Committees in regard to the medium-term plan. The overall role belonged to the Fifth Committee.

28. In response to the specific questions that had been raised, he assured the representatives of Cuba and Brazil that the Secretariat would reply as soon as possible, either at a formal meeting or in the course of the informal consultations. He was, however, in a position to reply at once to the question about the juxtaposition, in paragraph 9.33 of programme 9, of international terrorism, drug-trafficking and the degradation of the environment. The intention was not to establish a link between those phenomena but rather to offer three examples which seemed to call for the development of international law.

29. The question of mandates would undoubtedly come up in the informal consultations. The plan was required to reconcile a number of contradictions in that respect. In the first place, it was founded on existing mandates but it must at the same time reflect a view of the future. Further, once it had been adopted, the plan became a mandate. Again, as one representative had recalled, the plan did not normally refer to mandates over five years old. At the same time, however, the plan was based on fundamental mandates that dated much further back, such as the Charter itself. The Fifth Committee's task was thus far from easy.

30. Mr. BELHAJ (Tunisia) said that he had not received a precise answer to his question whether the Committee was being asked to review the medium-term plan programme by programme, or whether it was engaged in a general discussion. His delegation was ready to comment programme by programme but would not do so if that was what was to be done in the informal discussions. His delegation had, in fact,

(Mr. Belhaj, Tunisia)

questions to ask about a number of programmes, but it would refrain from doing so at the current formal meeting.

31. Mr. MONTHE (Cameroon) said that his first question had been what the Main Committees had thought they were being asked to do by the letter from the Chairman of the Fifth Committee. General Assembly resolution 36/228 had endorsed the recommendation of CPC that each chapter of the proposed medium-term plan should be submitted to the appropriate Main Committee of the General Assembly before the plan as a whole was adopted by the Assembly in plenary meeting. The Main Committees ought, therefore, to have been asked to debate the relevant chapters of the plan in order to bring out areas of agreement and disagreement between delegations and to reach a consensus on whether, in the view of those competent to discuss the chapter in question, the plan put forward by the Secretary-General was in conformity with the legislative mandates, whether it was properly oriented and whether the suggested priority was appropriate. To help them in their discussion, they had the reports of CPC and other sectoral bodies. They should then have been in a position to send their considered view to the Fifth Committee. The Fifth Committee itself, of course, was responsible for some chapters of the plan, those relating to conference services and administration and management.

32. However, since that approach had not been followed, and since the Secretariat had not helped the Main Committees to study the plan, their responses had been very variable. The Committee was being asked at the current meeting to examine the views or absence of views reproduced in document A/C.5/45/42, and at the same time delegations had been invited to comment on programmes. He did not think there was any advantage in commenting on specific programmes as the Committee had already had a general discussion. In his view, the best course would be for the Secretariat to prepare a single negotiating document as a basis for informal consultations, containing the views put forward in the Fifth Committee and, where available, in the other Main Committees. The document should consist of two parts, the first on general questions of methodology and substance, and the second, on specific proposals made in the general debate. Such a document could be put before a formal meeting of the Committee first, to make sure that all the views that had been expressed were reflected, and the Chairman could then adjourn the formal meeting to allow the informal negotiations to get under way. His course, as leader of the informal negotiations, would then be to take first the general problems one by one and ask for solutions, and second, to go on to specific proposals of the kind made at the current meeting by the representatives of Brazil and Cuba. Such proposals could not be negotiated in a formal meeting but, if they were consolidated in an informal paper, it would be possible, little by little, to solve the outstanding problems and to construct a draft resolution that could be adopted by the Committee as a whole. He believed that the list of speakers on the item should be closed, therefore, and only one or two more formal meetings devoted to it.

33. He regretted that the other Main Committees had been unable to help the Fifth Committee. He did not see how the Fifth Committee, for example, could successfully negotiate a definition of the terms "peace-making" and "peace-keeping" as used in programme 1. If that programme had been properly considered in the First Committee

(Mr. Monthe, Cameroon)

or the Special Political Committee, and if the origin of the mandates in which those terms were used had been clearly explained, the Fifth Committee would have been in a better position to decide the question. The economic programmes should have been thoroughly examined by the Second Committee, which should then have sent the Fifth its considered views. The Fifth Committee was not competent to decide on economic programmes, or on the kind of social programmes that were the province of the Third Committee. The Fifth Committee, which could only base itself on the recommendations of CPC and the Advisory Committee, should say in its review, therefore, that the Secretary-General had been unable to take account of the views expressed. The Main Committees should then be asked to decide on the programmes for which they had adopted the mandates.

34. Since the Fifth Committee could not negotiate on the basis of document A/C.5/45/42, because it was incomplete, the Secretariat should put out a consolidated paper containing all the views that had been expressed on general and specific points.

35. The CHAIRMAN asked whether delegations were in favour of asking the Secretariat to prepare a document containing the general views expressed on the medium-term plan and the various proposals made by delegations. Such a consolidated paper would not preclude further proposals by delegations at a later stage or during the informal negotiations.

36. Mr. DINU (Romania) asked whether the Secretariat was in a position to summarize the views of the various delegations. He wondered whether only the positions expressed in the Committee would be considered or whether those that had been put forward in the Economic and Social Council or at the sessions of CPC would also be included. He believed the task would be very difficult.

37. Mr. LOPEZ (Venezuela) said that the procedure followed so far had led to some confusion. At the start of the discussion on the proposed medium-term plan, the Chairman had said that there would be, as it were, two readings of the plan, although it had not been very clear what he meant. His delegation had assumed that the Fifth Committee would ask the other Main Committees for their collective opinions on the parts of the plan within their field of competence. The Fifth Committee had ended its first debate on the medium-term plan after hearing some opinions on the major programmes. On resuming the item, the Committee had been presented with document A/C.5/45/42 purporting to contain the views of Member States on the various chapters as expressed in the Main Committees. The Fifth Committee was clearly not in a position to comment on those views.

38. The procedure suggested by the representative of Cameroon would remedy, more or less, the previous errors and help to expedite the Committee's work. It would be useful to have a paper giving a clear idea of where the main differences lay, so that the informal consultations could resolve as many of those differences as possible. He noted, however, that a precedent had been set during the discussion of the programme budget at the last session. A procedural difficulty that had arisen then had been solved by deciding that, during the informal consultations, only proposals made in the general debate would be discussed. If that precedent

(Mr. Lopez, Venezuela)

was followed, delegations would have to make haste to put their views forward in a formal meeting in order to prevent their being left out of the informal consultations. The Committee should agree on a mechanism whereby all such comments would be taken into account so that the consultations could begin on a clear and agreed basis.

39. The representative of Cameroon had noted that CPC and other sectoral bodies had made recommendations that could be very useful to the Committee. However, membership of CPC was limited to 34 countries, whereas 159 were represented in the General Assembly. It would be unfortunate to allow the recommendations of CPC to serve as a kind of strait-jacket for the General Assembly. The understanding of his own delegation, which was a member of CPC, was that although its recommendations were those of the Committee as a whole, that did not imply that comments made in CPC could not be made again in the Fifth Committee. All delegations were entitled to restate their views. That did not mean rejecting the recommendations as a whole or reopening the whole debate, but merely recognizing that there were points which certain delegations regarded as important and on which there had not been full agreement. Those delegations had accepted the conclusions and recommendations of CPC on the understanding that they would be able to put their views before the General Assembly. The delegations of Brazil and Cuba had proceeded on that understanding and other delegations had the same right to do so. Provided that that was clear, his delegation could agree to the suggested procedure.

40. Ms. GOICOCHEA (Cuba) agreed with the representative of Venezuela that the procedures suggested by the representative of Cameroon were helpful. During the first reading of the plan her delegation had said that it would make specific comments at a later stage; it should be given an opportunity to do so in a second reading. The representative of Romania had been right to point out that the Secretariat would have difficulty in preparing its paper: there would have to be time for delegations to submit their views on all the programmes and for the Secretariat to respond to points raised either formally or informally. Her delegation endorsed the comments made by the representative of Venezuela concerning the views of other organs on the plan: such views should certainly be taken into account in future reviews of the plan.

41. The CHAIRMAN pointed out that the Fifth Committee and the other Main Committees had before them under the item the consolidated summary of the comments and recommendations made by Member States and intergovernmental bodies since 1988 on the draft introduction to the medium-term plan for the period 1992-1997 (A/45/279) and the report of CPC (A/45/16). As the letter from the President of the General Assembly and the Chairman of the Fifth Committee indicated, the programmes falling within the Fifth Committee's competence were programmes 39 to 44.

42. Mr. BAUDOT (Director, Programme Planning and Budget Division), responding to the representative of Romania) said that the paper proposed by the representative of Cameroon was nothing out of the ordinary. It would be perfectly normal for the Secretariat, within the framework of the informal consultations, to present a paper

setting out the general points raised and the differences between delegations concerning such matters as the structure of the plan and the priorities and substantive issues which might appear in a draft resolution on the item. It would also reflect specific suggestions for changes in the plan, such as those made by the representative of Morocco on priorities and by the representative of Ghana on titles, as well as the views of other Main Committees communicated to the Fifth Committee. The presentation of the Secretariat's paper would not close the door on other comments and suggestions in the informal consultations. Experience showed, however, that if the Committee decided that a further week should be allowed for the submission of written suggestions, the Secretariat would have difficulty in producing the paper in time.

43. Mr. ABRASZEWSKI (Chairman of the Committee for Programme and Co-ordination) pointed out that although CPC had only 34 members, its recommendations had been endorsed by the Economic and Social Council which had 54 members.

44. Ms. GOICOCHEA (Cuba) said that, in view of what the Director of the Programme Planning and Budget Division had said, it might be better to schedule one or two additional formal meetings so that any other comments from delegations could be made formally and included in the Secretariat paper. The point made by the Chairman of CPC was of course valid, but the plan still had to be adopted by the General Assembly after adequate discussion.

45. Mr. BELHAJ (Tunisia) agreed with the representative of Cuba that the General Assembly had the last word on the plan. His delegation had reservations about the conduct of the debate on the item. Many delegations had not had an opportunity to express their views, and consequently the Secretariat paper would present only a partial picture. If the Cuban proposal for one or two extra formal meetings was impracticable, the paper should not contain any specific suggestions by delegations. All delegations could then go to the informal consultations on an equal footing and make their suggestions there. The views expressed in formal meetings should of course be recorded but they should not be presented in a working paper as a basis for consultation. If the extra meetings were held, the Chairman should indicate their dates and whether the discussion would be conducted programme by programme, so that delegations could have their materials ready.

46. Mr. DANKWA (Ghana) said that the Secretariat paper should summarize the differences and convergences of views already stated but it would not exhaust the possibilities of comment. Delegations would be free to make further suggestions, in formal meetings if there was time or in the informal consultations. His delegation would also like to know whether the discussion in any additional meetings would be conducted programme by programme.

47. Mr. ANNAN (Controller) said that the comments made by the Director of the Programme Planning and Budget Division did not mean that the discussion in the Committee had been exhaustive. Delegations which had questions or suggestions could help by putting them in writing, so that the Secretariat could respond at future meetings. Of course delegations could raise further points in the early stages of the informal consultations, and the Secretariat could respond either orally or in writing as the consultations proceeded.

48. Mr. LOPEZ (Venezuela) agreed with the representatives of Cuba and Tunisia concerning the need for additional formal meetings on the item. The informal consultations should not begin until the formal discussion had ended, and there should be a gentlemen's agreement not to raise new matters in the informal consultations and to concentrate on the ones raised in the formal meetings. It must also be remembered that only about a third of the Members of the Organization were members of the Economic and Social Council, which in any event was not responsible for the final decision on the plan.

49. The CHAIRMAN said that additional formal meetings could be scheduled during the week beginning 26 November. He pointed out that the note by the Chairman (A/C.5/45/42) already contained the views of several bodies attended by all 159 States Members of the Organization.

50. Ms. OLDFELT-HJERTONSSON (Sweden) asked whether the Secretariat paper would include in any form the views expressed in CPC, where her delegation and others had made detailed comments on the proposed medium-term plan, and whether the recommendations and conclusions of CPC would be on the table in the informal consultations.

51. Mr. ZAHID (Morocco) said that his delegation supported the procedure for the informal consultations which seemed to be emerging; it would be a good idea for the Secretariat to produce a paper because something was needed as the basis for discussion. Rather than submitting comments in writing, as the Controller had suggested, delegations should have an opportunity to state their views in formal meetings so that they could be reflected in the summary records. The Secretariat paper would then be more comprehensive and of greater use in the informal consultations. Although the plan had been discussed by CPC, the Fifth Committee still had a duty to comment on the programmes falling within its sphere of competence. The CPC report had indeed been endorsed by the Economic and Social Council, but it was also submitted directly to the General Assembly.

52. Mr. BAUDOT (Director, Programme Planning and Budget Division), responding to the representative of Sweden, said that the views of CPC would not be included in the Secretariat paper, because the CPC report itself was already before the Fifth Committee. The paper was not to be a compendium of all the views on the plan expressed in all quarters of the United Nations. In the light of the discussion so far, however, it was clear that few of the matters raised by CPC would not already have been raised in the Fifth Committee before the informal consultations began.

53. Mr. ABRASZEWSKI (Chairman of the Committee for Programme and Co-ordination) said that it might be helpful if the Secretariat paper referred to the recommendations and conclusions of CPC on general issues and specific programmes.

54. The CHAIRMAN said that the Committee could hold additional meetings on the item, constituting a second reading of the proposed medium-term plan, after which all the views of delegations should be incorporated in the Secretariat paper.

The meeting rose at 6.05 p.m.

UNITED NATIONS

General Assembly

FORTY-FIFTH SESSION

Official Records

FIFTH COMMITTEE
34th meeting
held on
Friday, 23 November 1990
at 10 a.m.
New York

SUMMARY RECORD OF THE 34th MEETING

Chairman: Mr. MAYCOCK (Barbados)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 127: UNITED NATIONS COMMON SYSTEM (continued)

AGENDA ITEM 128: UNITED NATIONS PENSION SYSTEM (continued)

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The meeting was called to order at 10.30 a.m.

AGENDA ITEM 127: UNITED NATIONS COMMON SYSTEM (continued) (A/45/30 and Add.1; A/C.5/45/23, A/C.5/45/24, A/C.5/45/29 and A/C.5/45/43)

AGENDA ITEM 128: UNITED NATIONS PENSION SYSTEM (continued) (A/45/9 and A/45/699; A/C.5/45/7, A/C.5/45/22 and A/C.5/45/43)

1. Mr. TRAXLER (Italy), speaking on behalf of the 12 States members of the European Community concerning the recommendations in the report (A/45/9) of the United Nations Joint Staff Pension Board, began by recalling the need, as reaffirmed by the General Assembly in its resolution 44/199, to maintain the unity, cohesion and integrity of the United Nations joint staff pension system and to avoid any action which might have an adverse effect on that system.

2. Before addressing the actuarial balance of the Fund, the Twelve drew attention to the fact that, because actuarial valuations - which occurred in practice every two years - were made as at 31 December of every second year, the assumptions on which the General Assembly and the Board worked were sometimes almost two years old. The Twelve were well aware, on the one hand, that it would be too expensive to introduce annual valuations and, on the other hand, that it was difficult for the Actuaries to submit their projections earlier than the month of June. They hoped, however, that further technical innovations might make it possible to improve the system in the future. In the meantime, the actuarial situation currently under consideration was the imbalance revealed by the valuation prepared on 31 December 1988. The situation might since have improved, as a result of the measures approved by the General Assembly at its forty-fourth session, and particularly as a result of the increase in the rate of contribution from 22.5 to 23.7 per cent. Any such improvement would be welcome, given the need to offset a further increase of some 0.25 per cent due to a rise in the life expectations of beneficiaries. The Twelve believed that, at 23.7 per cent, the contribution rate had reached its maximum acceptable level and urged the Board to continue its efforts to identify alternative means of offsetting the decline in mortality rates.

3. With respect to the comprehensive review of the pensionable remuneration and consequent pensions of staff in the Professional and higher categories, the Twelve hoped that the Board and the International Civil Service Commission (ICSC) would continue their close co-operation on the consideration of pension matters, extending such consideration to the pensionable remuneration of all categories of staff in the common system. The case of "ungraded officials" raised fundamental questions. The serious disparities reported in that regard could hardly be justified, and the General Assembly should therefore carefully examine that issue at its forty-sixth session, bearing in mind, inter alia, the views of the governing bodies of the organizations concerned and the further comments of the Board itself.

(Mr. Traxler, Italy)

4. Concerned by the fact that certain organizations were continuing to award extra steps beyond the maximum step of the scale of pensionable remuneration, the Twelve firmly believed that staff members should be rewarded by promotion on the basis of merit and not solely of seniority. They supported the Board's recommendations concerning the judgement of the International Labour Organisation (ILO) Administrative Tribunal, mentioned by the Chairman of the Board in his introductory statement. They were convinced that the ILO Staff Regulations should be brought into line with the Regulations of the Fund and that the pensionable remuneration of ILO staff should be governed directly by the Fund's regulations.

5. With regard to the protection of local currency pensions, the Twelve believed that the new interim floor measure expiring on 31 December 1990 was sufficiently fair so long as it was not construed as constituting a precedent and did not apply to those who retired after 31 March 1992. On the other hand, it also seemed fair that staff members who were between 55 and 60 years of age on 31 December 1990 and retired before 31 March 1992 should receive at least the same floor amount for their initial local currency pension as they would have received if they had separated on 31 December 1990. The Advisory Committee had concurred with the Board that such a measure should not be construed as constituting a precedent or an acquired right. The Twelve shared that view and, while recognizing that the new proposed interim measure might disappoint staff serving outside the United States, believed that it represented an honest attempt to avoid an exodus of qualified personnel until such time as the Preparatory Group established by the Board could submit its recommendations, at the forty-sixth session, for a long-term solution which would both ensure the stability of the pension and remuneration systems and simplify their excessive complexities.

6. Turning to the report on the investments of the Fund (A/C.5/45/7), the Twelve noted that, while the data provided in the report covered the period up to 31 March 1990, some of that information had subsequently been updated. Bearing in mind the Secretary-General's remark that "the return achieved by the Fund ... compares favourably with other pension funds", they would appreciate the provision by the Secretariat of detailed comparative data relating to both investment returns and administrative expenses. They believed that the policy of diversifying investments by currency and by country was wise and might well have helped to mitigate the effects of the stock market crisis of October 1987 and, more recently, of fluctuations in stock markets and exchange rates. Recalling that the interests of participants must remain paramount, the Twelve wished to emphasize the need for careful and sound management.

7. Mr. OGURA (Japan) said that his country, while recognizing that international organizations must offer sufficiently attractive conditions of service to retain qualified staff, could not but be concerned, as a major contributor, by the substantial and growing volume of personnel expenditures in those organizations' budgets. Given the great expertise, objectivity and integrity of ICSC, his delegation emphasized that all Member States and organizations of the common system should respect the Commission's recommendations and decisions.

(Mr. Ogura, Japan)

8. Nevertheless, it had been somewhat disappointed by the Commission's recommendations concerning housing and remuneration structures. Contrary to the request addressed to it by the General Assembly, the Commission had not separated housing from the other components of the overall remuneration package and had submitted recommendations which, far from simplifying matters, jeopardized the unified treatment of the post adjustment system at different duty stations. His delegation was not convinced that the recommended system would ensure an equalization of purchasing power and believed that special treatment should be accorded to newcomers since it was they who bore the heaviest burden in respect of accommodation expenses. The General Assembly should therefore request the Commission carefully to reconsider that question.

9. His delegation, however, welcomed the Commission's decision on the differences between post adjustment indices and multipliers.

10. With regard to the recommendation that the margin should fluctuate freely within the range, looking at the matter realistically it was unlikely that the level of United States federal civil service salaries would increase at or beyond the rate of inflation. In the circumstances, the ICSC recommendation had been tantamount to raising the margin to the top of the range, in other words 120, which would have resulted in an across-the-board percentage increase in salary. His delegation considered that the Commission's report contained no convincing reasons to justify such an increase, any more than it had done the previous year. It therefore maintained that the level of remuneration should continue to be determined in accordance with the provisions of General Assembly resolution 40/224 or 44/198, in other words around the desirable mid-point of 115 approved for the margin, until the General Assembly saw valid reasons for altering that arrangement. It was necessary to recall why the Assembly had introduced the margin concept, and to maintain it for as long as the Organization continued to adhere to the Noblemaire principle. Since the level of United States federal civil service salaries was far lower than that of the private sector, it was possible that the United States civil service was no longer the best paid in the world. ICSC should therefore, as soon as possible, adopt the practice of carrying out periodic checks to determine which was the highest paid civil service.

11. His delegation supported the Commission's decisions concerning the review of the conditions of service of the Field Service category. It was deeply concerned about the Secretary-General's decision not to implement the salary scale recommended by ICSC for the General Service category, and associated itself with the Commission's opinion that that decision violated the principle of best prevailing local conditions which governed the determination of General Service salaries. The General Assembly must therefore take steps to ensure that that did not happen again.

12. Mr. KUZNETSOV (Union of Soviet Socialist Republics) expressed his profound disappointment with the very modest results of the comprehensive review of the conditions of service of the Professional and higher categories. He did, however, support ICSC in its intention to examine the problems that had been identified and the functioning of the new components of the remuneration structure.

13. Several of the Commission's recommendations on the remuneration structure were difficult to accept. In the first place, the arguments in favour of the revised rental subsidy scheme recommended for headquarters and other North American and European duty stations were unconvincing, being both technically unsubstantiated and somewhat unclear, especially in regard to the discontinuation of the regressive reimbursement formula and the five-year time-limit for the payment of the benefit. The new eligibility criteria for the rental subsidy were, moreover, too liberal. The recommended system was particularly questionable since ICSC was proposing at the same time to adopt a more generous attitude to housing cost relativities in the calculation of post adjustment indices.

14. His delegation found the recommendation to review the methodology for calculating the margin - on the questionable grounds that application of the existing methodology would lead to a sustained salary freeze at duty stations with a high cost of living - bewildering, since it would deny the General Assembly its last remaining mechanism for monitoring the margin. The recommendation should therefore be opposed.

15. Although the recommendation that the base/floor salary scale should be increased was generally in line with the decision adopted by the General Assembly at its previous session, his delegation had serious difficulty in agreeing to a corresponding increase in the mobility and hardship allowance. It was obvious that even the slightest increase in the scale would have considerable financial implications for that allowance. It was therefore necessary to work out a mechanism that would allow the matrix used to calculate the allowance to be adjusted in the event of any upward adjustment of the salary scale, in order to avoid any financial implications until such time as the specific results of the functioning of the matrix allowance became apparent.

16. The recommendation concerning revised housing arrangements for officials at the Assistant Secretary-General, Under-Secretary-General and equivalent levels was, in his delegation's view, premature and one-sided. The remuneration of that category of officials, as well as of "ungraded" officials, should be considered not in a piecemeal, but in a comprehensive, manner, taking into account all its components. The problem should be considered by ICSC and the Joint Staff Pension Board as a matter of priority.

17. The ICSC recommendations concerning the remuneration of staff in the General Service category had generated a tense situation and his delegation did not quite understand why the Administration had questioned the technical validity of the survey on which the recommendations had been based. The Fifth Committee should give that problem special consideration during its informal consultations on the report of ICSC.

18. Mr. JONES (Australia) said that, while recognizing the efforts made by ICSC to solve the difficult problems before it, his delegation nevertheless advocated a simpler, more transparent remuneration system and regretted that it had not been possible to make progress in that direction in recent years. His delegation was particularly disappointed with the outcome of the comprehensive review on that subject. As one member of ICSC had pointed out, instead of a revised system, the Commission had settled for a modified current system (A/45/30, para. 68). Chapter IV gave a very frank account of the confused discussion that had taken place between organizations, staff representatives and the members of the Commission. The Consultative Committee on Administrative Questions (CCAQ) seemed to have changed its position on the housing allowance, not as a matter of principle, but because the methods tested had not yielded the expected results, in other words higher benefits. In that regard, his delegation shared the disappointment expressed by the Commission about the Working Group's report, and encouraged the Commission to continue to study methods that would lead to the complete separation of the housing component from other elements of the remuneration package. In the meantime, it was not convinced that the revised rental subsidy scheme adequately solved the problems it purported to address.

19. His delegation supported the recommendation concerning the establishment of a margin range for pensionable remuneration, but recognized that it was not absolutely necessary to introduce a separate margin from that which was applicable to net remuneration. The purpose of the margin should not, however, be forgotten. In his view, its main purpose was to demonstrate to national authorities that the benefits paid to international civil servants were set at a reasonable level. With regard to the evolution of the margin, his delegation would be prepared to reconsider the provisions of resolution 44/198, section I.C, paragraph 5, as requested by the Commission, but wished to be reassured that, whatever solution was found, it would not automatically result in a margin at the top of the range. In that regard, it noted that Professional staff in New York would receive a substantial 14.5 per cent salary increase in 1990. On the question of the base/floor salary scale, there was not sufficient factual information for his delegation to be able to take a position on the relevant proposals.

20. The Secretary-General's decision not to promulgate the salary scale recommended for the General Service category was a source of concern to his delegation. It remained to be convinced that the decision had been fully justified. It might be necessary to take action at the current session to ensure that any anomalies arising out of the situation were corrected when future salary scales were established.

21. In conclusion, his delegation would like to draw attention to an aspect of the Commission's work that had received too little attention in recent years. Articles 13 to 16 of its statute gave it wide powers in the areas of personnel practices and policy. With much of the work on the quantitative aspects of its task completed, it would be advisable for the Commission to place more emphasis on the qualitative aspects. The ability to attract high quality staff and gain the best possible performance from that staff did not depend on pay issues alone. It depended also on making the organizations in the United Nations system desirable

(Mr. Jones, Australia)

places in which to work, with clearly understood personnel rules, equality of opportunity, fair evaluation of job performance, access to innovative and imaginative staff training and a good career development system - all factors helping to improve job satisfaction and strengthen staff motivation. His delegation looked forward to a fresh approach from ICSC in the provision of leadership and the setting of standards in that field.

22. Mr. KARBUCZKY (Hungary) said that his delegation was fully aware of the wide range of responsibilities assigned to ICSC: it must provide the United Nations system with unified and equitable conditions of employment while at the same time taking into account the special characteristics of each organization. The benefits of the common system must be emphasized, while Member States, for their part, must display a firm commitment to strengthening the system. His delegation believed that the participation of staff and administration representatives in the negotiating process could only strengthen the system, provided it was understood that it should be without prejudice to the Commission's right to hold executive sessions.

23. The Noblemaire principle was undoubtedly the right basis on which to calculate remuneration. While it supported the five-year review of the margin, his delegation wished to emphasize the need to keep to the adopted figures. Seeking to align its remuneration system on that of the private sector might create difficulties for an intergovernmental organization. Regarding the treatment of the housing factor, his delegation hoped that the recommended retention of the housing allowance in the post adjustment system would prove justified. It regretted that the recommendations derived from the survey of General Service salaries, which were technically sound, had met with opposition from the administration.

24. His delegation noted with satisfaction the consensus indicated in the report of the Joint Staff Pension Board. Through its system of tripartite representation, the Board had been able to reach reasonable compromises for the second consecutive year. Concerning pensionable remuneration of staff in the Professional and higher categories, his delegation noted that ICSC and the Board had agreed on the methodology, the scale and the adjustment procedures. On the other hand, it understood the Board's doubts regarding the margin range. It was, nevertheless, willing to support the ICSC proposal.

25. The unresolved problem of the conditions of service of senior officials, such as executive heads of specialized agencies, was an example of the existence of diverging interests within the common system. A solution should be found in conformity with the standards of the system.

26. His delegation believed the proposed interim measures for post adjustment could be supported on grounds of fairness and equity. Like ACABQ, however, it would like to stress the need for a long-term solution, the simpler the better. Although equity was the main consideration, the financial possibilities of Member States must also be taken seriously in account.

(Mr. Karbuczky, Hungary)

27. The figures given for the return on the Pension Fund's investments indicated that Member States could rest assured that the Fund was in good hands. The strategy applied, based on caution and diversification, could provide the Fund with the resources it would need over the long term.

28. Mr. OWONO MENGUELE (Cameroon), speaking on the common system, said that the principles aimed at providing the international civil service with a set of guidelines based on justice and equity needed to be strengthened. As far as the tripartite functioning of the system was concerned, it was gratifying to see that, after the difficulties that had been experienced in recent years the dialogue had resumed. That spirit of dialogue should be reinforced.

29. His delegation welcomed the improvement in the presentation of the ICSC report. In broad outline, the comprehensive review of conditions of service responded to the request made by the General Assembly at its forty-second session. The conditions offered in the international civil service should provide staff with an opportunity to reveal their potential and their intrinsic worth. Moreover, since the international service operated in a highly competitive context, his delegation was logically led to support the Noblemaire principle.

30. His delegation supported the 8.5 per cent increase proposed by ICSC for the base/floor salary scale. On the management of the margin, given the fears expressed by ICSC and FICSA it was in favour of an earlier submission of the interim report requested by the General Assembly, as proposed by the European Community. ICSC should continue to refine the methods used, particularly in regard to statistics, with a view to submitting a technically credible report. In respect of the housing factor, his delegation noted that ICSC had returned to its original proposal and that FICSA had said that it was satisfied with it. It also noted the implications for General Service staff of some of the decisions regarding the Professional and higher categories, as set out in paragraph 235 of the ICSC report. As far as the decision not to apply the recommendations regarding General Service salaries in New York was concerned, his delegation believed it was necessary to be flexible and to take into account staff morale, which was very important in human resources management.

31. Lastly, in regard to the status of women in the Secretariat, care must be taken to see that the special measures prescribed were effectively implemented, particularly in the Professional and higher categories. The establishment of a tripartite working group, as recommended by ICSC in paragraph 288 of its report, was a welcome development. His delegation would support all measures that would promote self-development and equality of treatment for all, men and women alike, in the international civil service.

32. Ms. ROTHEISER (Austria) said that, in the final analysis, the work accomplished by the Organization depended primarily on the quality of its staff. That consideration was increasingly important at a time when a growing number of challenges must be met by a smaller number of staff. Her delegation believed it was essential to create favourable and competitive conditions of work, including

(Ms. Rotheiser, Austria)

through an appropriate salary scale. In order to maintain the common system, the remuneration of staff at different duty stations must abide by the principle of "equal pay for equal work".

33. Not only delegations but also the staff must understand how the common system worked, since they were the ones to whom it applied. In order to avoid any misunderstanding as to its equity and fairness, the system should be as transparent and clear as possible. Her delegation therefore urged ICSC to simplify the system further. It noted with satisfaction the proposal to establish a tripartite working group which would be consulted on major issues.

34. Regarding the rental subsidy, which ICSC recommended should be maintained within the post adjustment system, except for certain duty stations in the field, her delegation trusted that ICSC would continue its work on that very complex issue. It also noted the information provided on the evolution of the net remuneration margin. In view of the adverse consequences of strict compliance with resolution 44/198, namely a freeze on remuneration, it was willing to accept the recommendation of ICSC on that matter.

35. Her delegation was under the impression that the recommended increase of 8.5 per cent in the base/floor salary scale would also entail an increase in the mobility/hardship allowances. While it supported that recommendation, it encouraged further examination of the interrelationship between the base/floor salary scale and the mobility/hardship allowances.

36. With respect to the remuneration of staff in the General Service category, although the survey conducted by ICSC was technically sound, she could understand why, because of other considerations, the Secretary-General had decided not to implement the related recommendation.

37. Lastly, with regard to the United Nations pension system, her delegation was pleased to note that the Joint Staff Pension Board had been unanimous in its recommendations, and it was therefore prepared to endorse them. However, it still concurred with the recommendation of the Advisory Committee that a more transparent, simpler system should be developed.

38. Mr. KIRUTTINAN (India) said that, in order for the United Nations and the other organizations to contend successfully with their numerous tasks and responsibilities, it was essential for them to maintain attractive, competitive conditions of service so that they could recruit and retain highly competent staff. His country had consistently supported the efforts of ICSC in that area.

39. Turning to the report and recommendations of ICSC, he began by noting the improvements in the quality of the report. The clearer format should be maintained. As for the rental subsidy scheme, ICSC had recommended continuing the existing arrangements at headquarters locations. He noted that the staff representatives and the Consultative Committee on Administrative Questions (CCAQ) were against separating the housing component. His delegation supported the

(Mr. Kiruttinan, India)

recommendations in paragraphs 95 and 96, which suggested substituting gross rent for net rent in the calculation of post adjustment indices, eliminating regressive rental reimbursement and the five-year rental reimbursement limit, and reimbursing actual housing costs at selected Group B duty stations on an experimental basis. It also supported the recommendation that the rental subsidies of officials at the Under-Secretary-General or Assistant Secretary-General level should be limited to 75 per cent of the threshold rent for the individual concerned (para. 124 (b), (ii)). However, each organization should establish a set of criteria for granting that subsidy instead of leaving the decision to the executive heads of the organizations, to be made on a case-by-case basis.

40. With regard to the information that ICSC had been asked to collect on practices regarding the granting of expatriate entitlements to staff members living in their home countries while stationed in another country, ICSC had indicated that it would study that matter further and would submit its report in 1991. His delegation hoped that it would be able by then to devise a recommendation that would harmonize those practices.

41. In paragraph 141 of its report, ICSC proposed a series of measures for eliminating the differences that arose between post adjustment indices and existing pay indices on implementation of place-to-place survey results at some duty stations. His delegation thought that urgent action was needed. Further attention could be devoted to that matter in informal consultations. The additional longevity steps introduced by the International Labour Organisation (ILO) and the World Health Organization (WHO) created inequities within the common system. Those two organizations should eliminate the extra steps, in the manner suggested in paragraph 162 of the report.

42. In the opinion of ICSC, to ensure that the average five-year net remuneration margin would be around the desirable mid-point of 115, the annual margin would have to be maintained at approximately 112.5 for the remaining three years. In concrete terms, that would imply a freeze in the post adjustment allowance, which would undermine staff morale and would make salaries less competitive. For those reasons, his delegation believed that the margin should be allowed to fluctuate freely within the established range.

43. With respect to the survey of remuneration at General Service staff in New York, no technical errors had been found that might have distorted results. While his delegation understood that implementing the recommendation of ICSC might involve problems at the personnel management level, it thought that the nature of those problems should have been indicated. There again, a solution might be found in the context of informal consultations.

44. His delegation concurred with the recommendations concerning the margin range for the pensionable remuneration of Professional and higher categories, since they would provide a certain stability in the pension levels and would resolve the problem of increases resulting from changes in United States taxes. The report of the Joint Staff Pension Board indicated that the pensionable remuneration of

(Mr. Kiruttinan, India)

executive heads of certain specialized agencies had not been adjusted in 1985 and 1987 following the adoption of General Assembly resolution 40/245 and other related resolutions. Obviously, if those officials wished to continue as participants in the Pension Fund, their pensionable remuneration would have to be governed by the resolutions and decisions of the General Assembly and the rules of the Board. His delegation noted the steps that had been taken in that area.

45. The interim "floor" measure in effect since 1988 had produced gross inequities in the calculation of pensions. His delegation therefore supported the transitional measure recommended by the Board, which would consist of instituting a personal "floor" amount for the initial local currency pensions of participants in the Professional and higher categories, in accordance with the provisions contained in paragraph 114 of its report. Another reason why maintaining that "floor" could no longer be justified was that, since 1988, there would have been five or possibly even six increases in pensionable remuneration, or an overall increase of about 29.5 per cent.

46. With regard to the long-term modification of the pension adjustment system, his delegation concurred with the observation in paragraph 123 of the report, namely, that greater recognition should be given to the cost-of-living differences at locations with higher post adjustment classifications than New York. However, care should be taken not to accentuate the actuarial imbalance of the Fund or to bring about a sharp increase in the financial liabilities of Member States. The Preparatory Group which the Board had established to study that matter should bear in mind the observations contained in paragraphs 26 and 27 of the report of the Advisory Committee (A/45/699).

47. His delegation was pleased to note the good rate of return that had been achieved on Pension Fund investments. The efforts of the Investments Committee and the representative of the Secretary-General were to be applauded.

The meeting rose at noon.

UNITED NATIONS

General Assembly

FORTY-FIFTH SESSION

Official Records

FIFTH COMMITTEE
35th meeting
held on
Monday, 26 November 1990
at 10 a.m.
New York

SUMMARY RECORD OF THE 35th MEETING

Chairman: Mr. MAYCOCK (Barbados)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.30 a.m.

AGENDA ITEM 127: UNITED NATIONS COMMON SYSTEM (continued) (A/45/30 and Add.1; A/C.5/45/23, A/C.5/45/24, A/C.5/45/29 and A/C.5/45/43)

AGENDA ITEM 128: UNITED NATIONS PENSION SYSTEM (continued) (A/45/9 and A/45/699; A/C.5/45/7, A/C.5/45/22 and A/C.5/45/43)

1. Mr. KOULYK (Ukrainian Soviet Socialist Republic) said that, since his country's Supreme Soviet had proclaimed the sovereignty of the Republic, the Ukrainian SSR now had to reorganize its civil service on new foundations. It was thus observing with particular interest the methods and practices adopted in the United Nations system in order to draw on its experience. During the past year the International Civil Service Commission (ICSC) had adopted a number of important recommendations. His delegation supported many of them, such as the one concerning an increase in the allowance in respect of a disabled child payable to staff in the General Service and related categories, to cite only one of several examples. However, it found other recommendations debatable either in their substance or from the standpoint of their financial implications. The ICSC report (A/45/30) specified the costs for each of the recommendations but gave no indication of the total cost, as it had done in some previous years. In fact, the total financial implications amounted to $24.6 million, which represented more than one per cent of the regular budget for all the United Nations organizations. That figure was far in excess of the total financial implications in the previous two years.

2. Apart from the financial considerations, his delegation would like to find in future ICSC reports information about the number of staff members who would be affected by any given recommendation. The decisions essentially concerned people, and it was important to bring out the "human factor".

3. In order to make the remuneration system easier to understand in the annual reports, it might be useful to include figures illustrating its main characteristics: (a) the amount of the total annual remuneration paid in the United Nations organizations and its main elements; in the case of Professional staff, the base salary, the post adjustment, the housing allowance and an average, for example the median remuneration; in the case of General Service staff, the total amount of payments made and the average annual salary; (b) similar data for the headquarters cities and the main duty stations; and (c) a general indication of the evolution of post adjustment, which was the most fluid element in remuneration.

4. In the absence of more comprehensive data it would be difficult to support the ICSC recommendation on housing allowance, which entailed an additional annual expenditure of $4.8 million. When the housing allowance system had been introduced, it had been supposed to produce economies over time. It would be interesting to know the extent to which that supposition had been justified. Insufficient justification was given for the recommendations on the amount of the education grant. With regard to the surveys of the conditions of employment of General Service staff in New York, Rome and London, although the need for a general

(Mr. Koulyk, Ukrainian SSR)

reassessment of the salaries of that category of staff was indisputable, the report contained no reference to a genuine increase, with supporting figures, which might fully justify the measures which the Commission was proposing.

5. In his delegation's view, therefore, some thought should be given to new proposals. They might be considered during the preparation of a resolution on the item or directly in the Committee. It had two concrete proposals to make in that connection. Firstly, the functions of the Commission's subsidiary body - the Advisory Committee on Post Adjustment Questions (ACPAQ) - might be expanded to cover consideration of certain important issues which required more intensive preparatory work. Its initial terms of reference had already been expanded when it had been made responsible for consideration of questions connected with the pensions system or housing allowance. In order to ease the work-load of the Commission, which already held very long sessions, ACPAQ might take over the problem of the remuneration of General Service staff and some other questions.

6. Secondly, his delegation proposed the establishment of a control mechanism for the calculation of post adjustment. That element in remuneration required a very large number of measurements and entailed a total annual expenditure of $300 million for the whole of the United Nations system. The mechanism might consist, for example, of a body made up of members of ACPAQ and the ICSC secretariat, which might limit itself, if necessary, to taking random samples to verify the accuracy of the information transmitted. The additional expenditure on such an operation would not exceed $10,000 to $15,000 a year, and most of it would be recovered.

7. His delegation awaited with interest the results of the review of the functioning of ICSC expected in 1991, for it ought to reveal interesting possibilities for improving and intensifying the Commission's work or even making radical changes in it.

8. Mrs. SHEAROUSE (United States of America) said that the major task of ICSC for 1990 had been to complete its work on the comprehensive review of the conditions of service of the Professional and higher categories. The purpose of the review was two-fold: (a) to provide a sound methodological basis for establishing a competitive United Nations remuneration system, and (b) to simplify that system to make it more transparent and comprehensible. Her delegation was disappointed that neither objective had been fully achieved. Rather than assuming a progressive role, ICSC - with a few exceptions - had only made ad hoc marginal changes which made the system more costly and no less complicated. In theory the comprehensive review had been completed, but her delegation believed that continued efforts must be made to strengthen and simplify the remuneration system. It was greatly troubled to see that the statement of programme budget implications for the ICSC report indicated additional costs close to $15 million.

9. Her country had used three criteria to evaluate the proposed changes in the salary and benefits payable in the common system: (a) equity; (b) clear and concise policies; and (c) an appropriate role for Member States in the

(Mrs. Shearouse, United States)

decision-making process. The Commission had recommended that housing should be maintained for the time being in the post adjustment system, except for duty stations away from Headquarters where valid housing comparisons were difficult or impossible to make. With regard to the duty stations in group A, the idea of using external data for the time-to-time adjustment of the housing element was interesting. Her delegation would like to know more specifically how the envisaged criteria would be developed, for example for the commuting distance and the availability of shopping facilities. With regard to the duty stations in group B, it welcomed the experimental approaches but still had some doubts.

10. The proposed changes in the rental subsidy scheme were difficult to accept. Despite some "inequities", the present scheme was a generous one since it covered up to 40 per cent of actual rents. The regressivity of reimbursements and the time-limit placed on them were intended as a disincentive. The removal of those two elements turned the benefit into a simple salary supplement. In any event, her delegation also questioned the criteria which would govern the granting of that benefit, particularly those set out in paragraph 95 (b) (viii) c. (changes in the family size) and e. (staff members wishing to move from their current accommodation below the defined standard).

11. The recommendation whereby executive heads would be authorized to exercise discretion to approve the granting of increased housing subsidies to officials at the Assistant Secretary-General, Under-Secretary-General and equivalent levels (para. 124 (b) (i) invited abuse and uneven application of the benefit. Her delegation did not think it advisable to leave it to each organization to develop precise guidelines governing housing arrangements for senior staff. It would prefer uniform, system-wide guidelines. Similarly, adopting a common approach to the question of representation allowances (with some monitoring) would ensure that those allowances were used for their intended purpose and not simply as salary enhancers.

12. The common system could not be preserved unless the participating organizations gave a tangible demonstration of their commitment to established rules and procedures. In that connection, her delegation regretted the continued practice of ILO and WHO of granting additional steps beyond the salary scale for staff in the Professional and higher categories, as well as their non-compliance with the recommended scales for the General Service and related categories. It concurred with the relevant recommendation of the Commission. However, it felt that the recommendation to pay cash awards for merit (para. 162) was premature. That kind of payment presupposed an appropriate system of performance evaluation. The Commission had not addressed that question. Her delegation considered that the departures from the common system should be brought immediately to the attention of the governing bodies concerned. In addition, it supported the Commission's decision regarding WIPO.

13. With regard to margin considerations, allowing the margin to float within the established range would be contrary to the recent decision of the General Assembly that United Nations salaries should not exceed the salaries of the comparator civil

(Mrs. Shearouse, United States)

service by more than 15 per cent. Her delegation understood the concerns expressed about a freeze on salaries. However, it believed that a 15 per cent differential was sufficient and that the Noblemaire principle must continue to guide the system of remuneration. Its initial reaction to the ICSC recommendation was therefore negative but it would welcome a discussion on that issue. The Commission had not stated clearly how it had arrived at the figure of 8.5 per cent for the increase in the base/floor salary scale. It was therefore difficult to take a position on that proposal. Moreover, since the base/floor scale was also used in calculating mobility/hardship allowances and separation payments, the relationship between the scale and the allowances should be further reviewed, as had been proposed by the Nordic countries.

14. With regard to the survey of best prevailing conditions of service for staff in the General Service category in New York, her delegation supported the findings of ICSC concerning the salary levels of those staff members and greatly regretted the action taken by the Secretary-General. That action undermined the Commission's integrity and independence and would have adverse effects on the common system. A solution to the problem was urgent.

15. Regarding the education grant, no interim arrangements were necessary for the time being since the Commission would carry out a full study in 1991.

16. Her delegation was concerned about the costs associated with the recommendations regarding the Field Service category but did see some merit in the recommendations.

17. The report of the Joint Staff Pension Board showed that the state of the Pension Fund was very good. The actuarial situation seemed broadly satisfactory. Her delegation agreed with the changes made in the actuarial assumptions to correct the underestimation of the male mortality rate after retirement. It would also be prepared to support a study of the actuarial implications of extending the maximum number of years of creditable contributory service (para. 21).

18. Efforts to increase direct and indirect investments in developing countries should continue. The missions organized for that purpose, such as the one sent to Africa, were certainly very valuable.

19. It was regrettable that some countries continued to withhold taxes on Pension Fund investment income. Since it seemed that all means of redress had been exhausted, the Pension Fund should divest itself of its holdings in the countries concerned until such time as the withheld taxes were returned.

20. Her delegation welcomed the improvements in the administration of the Pension Fund secretariat. It also shared the concern of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that the main components of the new computer system should be operational by 1992 and hoped that a solution would be found to the office accommodation problems.

(Ms. Shearouse, United States)

21. On the subject of pensionable remuneration for staff in the Professional and higher categories, the Pension Board had not concurred with the position taken by ICSC on the margin range. Her delegation, too, questioned the need for a margin range for pensionable remuneration, since the latter was directly derived from net remuneration that was already controlled by a margin range.

22. It emerged from annex IV of the report of the Pension Board that there was a substantial disparity in the levels of pensionable remuneration of ungraded officials. That situation was not normal. Her delegation supported the action proposed in that regard and hoped that steps would be taken to standardize the levels in 1991.

23. In order to solve certain specific problems such as currency fluctuation, a two-track pension adjustment system had been introduced. The numerous subsequent adjustments had made the system even more complicated. It was apparent that a long-term solution must be considered in order to establish a satisfactory pension adjustment system. When the interim floor measure had been adopted, the Pension Board and the Assembly had not anticipated the difficulties it would cause. Her delegation therefore welcomed the establishment of a Preparatory Group (para. 128) to develop a long-term solution to the problem of calculating initial local currency pensions and to review the pension adjustment system. It also supported the establishment of a joint ICSC/Pension Board Preparatory Working Group to review the pensionable remuneration of staff in the General Service category.

24. Regarding the assistance requested by ILO in implementing two recent ILO Administrative Tribunal judgements, her delegation supported the Pension Board's recommendation, with the three conditions set out in paragraph 190 of the report. It did not understand the reluctance of ILO in that regard.

25. No real solution was in sight on the question of the entitlement to survivors' benefits for spouses and former spouses (para. 168). The question was certainly very complicated. Nevertheless, since it was likely to grow more acute in the future, her delegation hoped that the Pension Board would continue its efforts to find an appropriate solution.

26. Mr. HAMILA (Libyan Arab Jamahiriya) said that the salary scale methodology was obscure and complicated. The recommendations in the ICSC report made it still more complicated, in addition to imposing an excessive financial burden on Member States, particularly those countries which were already undergoing serious economic difficulties. Consequently, his delegation found the recommendations difficult to accept and urged the Commission to continue its efforts to arrive at a salary system that would be simple and transparent.

27. The argument that the United Nations system would have difficulties recruiting and retaining competent staff because of the deterioration of conditions of service was not convincing. On the contrary, his delegation noted that countries were continuing to recommend highly qualified candidates for vacant posts in the international organizations. All that was necessary was to make full use of that

(Mr. Hamila, Libyan Arab Jamahiriya)

potential. His delegation also did not think that retaining the current methodology would necessarily lead to freezing salaries at duty stations where the cost of living was high. It felt that the recommendations in paragraph 124 (b) (revised housing arrangements for those at the Assistant Secretary-General, Under-Secretary-General and equivalent levels) paragraph 207, (8.5 per cent increase in the base/floor salary scale), and paragraph 251 (maximum education grant and ceiling for boarding costs) were not justified. Lastly, it wished to express its concern that the Secretary-General had refused to apply the salary scale recommended by ICSC for General Service staff. It hoped that the Secretariat would provide a satisfactory explanation and that the situation would not recur.

28. Mr. DANKWA (Ghana) said that the efforts of the General Assembly to establish a common system for all the United Nations-related organizations were worthy of sustained pursuit. It was indisputable that jobs that demanded comparable levels of responsibility and skill should receive similar pay. It was gratifying to observe the full participation of GATT and IFAD in the work of the Commission. The two organizations should take appropriate steps towards acceptance of the Commission's statute.

29. While it welcomed any measure that contributed to the effective participation of all interested parties, notably the staff, in the work of the Commission as envisaged in article 12 paragraph 3, of its statute and rules 36 and 37 of its rules of procedure, his delegation found the present tendency to turn the Commission into a negotiating forum somewhat disturbing, since it appeared to violate article 6 of the statute of ICSC and called its very purpose into question. The Commission was a technical body which should carry out the functions set out in chapter III of its statute independently of any external influence whatsoever. The opportunities for consultation with various bodies envisaged in rules 36 and 37 of the Commission's rules of procedure and article 12 of its statute were intended solely to enable the Commission to collect and analyse the necessary technical information that should inform its recommendations and decisions. By authorizing non-members to participate in its meetings, including those at which decisions were taken, the Commission seemed to be in violation of rule 35 of its rules of procedure, whereby all substantive determinations should be adopted in executive meeting. The General Assembly should be precise in what it wanted of ICSC. The Commission could, on the one hand, continue to be independent and partial in its collection, collation and analysis of information on which to base its recommendations and decisions and, on the other, it could represent the General Assembly in negotiations with the staff. It could not do both. It was to be hoped that the General Assembly would remove any ambivalence in that connection at the current session. The General Assembly should also seek to play the role assigned to it under article 10 of the Commission's statute and not try to be a substitute for ICSC nor duplicate its work. Thus, in reviewing the ICSC report, the Assembly should focus more on the principles for determining of the conditions of service of the staff, salary scales and post adjustments, allowances and benefits. It was precisely because the General Assembly was not expected to be concerned with technicalities that under article 11 of its statute the Commission established the methods by which the principles approved by the General Assembly

(Mr. Dankwa, Ghana)

for determining conditions of service should be applied. The General Assembly should concern itself essentially with the political, administrative and budgetary implications of principles and methods. His delegation hoped that the Commission would bear that distinction in mind in preparing its report and spare the General Assembly the technical complexities which sometimes led it to take decisions without fully comprehending the implications.

30. With regard to the margin range for net remuneration, it was the Commission's role to monitor developments world wide and ensure that the comparator service remained the highest paying. Properly maintained, the margin would ensure that the conditions of service of the staff, both before and after retirement, remained competitive. For that reason, his delegation saw no justification for the establishment of a margin for pensionable remuneration.

31. As far as the methodology for determining pensionable remuneration was concerend, the Joint Staff Pension Board was in favour of retaining the methodology applied in 1986, as revised in 1989, while the Commission recommended the methodology established on 1 April 1987. It would be desirable for the Commission to highlight the differences between the two methods and their implications for the staff and the General Assembly. It would also be useful to compare each methodology with that of the comparator civil service. His delegation would also be interested to know how the scale of staff assessment compared with the tax régime applicable to staff of the comparator civil service.

32. If the aim of the common system was to develop a single unified international civil service through the application of common personnel standards, methods and arrangements, the Commission should consider all pertinent issues relating to the conditions of service of all staff, including ungraded officials. The pensionable remuneration of the latter had not been addressed by the Commission during the comprehensive review. At the current session, therefore, the Commission should be given the necessary mandate to extend the review to ungraded officials.

33. Turning to the question of the housing and remuneration structures, he said that, in his view, the General Assembly should review the issue from the perspective of the broad principles for the determination of conditions of service. Housing, among other elements, was already reflected in the conditions of service of the comparator national civil service. Properly applied, post adjustment could have been used to attract staff to the so-called hardship duty stations, where organizations found it difficult to retain personnel. However, post adjustment had gradually evolved into an integral part of the pay package. In his delegation's opinion, housing should not be treated as a separate element outside the post adjustment system. The regressive reimbursement formula should be retained, since it was intended to help to alleviate the initial settlement or resettlement difficulties of new staff members.

34. Since the important point was that regular adjustments should be made in the base/floor salary scale to keep it aligned to that of the comparator civil service, his delegation approved the Commission's recommendation for an upward revision of 8.5 per cent with effect from 1 March 1991.

(Mr. Dankwa, Ghana)

35. His delegation commended the initiative taken by ICSC with respect to the surveys of the conditions of service for the General Service and related categories. Such surveys should be conducted regularly in order to minimize the resort to comprehensive reviews, which did not adequately address the problems of the staff and imposed heavy financial burdens on the organizations. It might be useful for ICSC to study the relationship between the conditions of service of the Professional and higher categories, which were based on the highest paying national civil service, and those of the General Service categories, which reflected the best prevailing local conditions.

36. Lastly, his delegation supported the Secretary-General's decision not to contest the case before the United Nations Administrative Tribunal, in order to maintain the integrity of the common system, as well as the decision of ICSC to study the matter further. That development underscored the urgent need to establish a common administrative tribunal.

37. Mr. DUHALT (Mexico) said that, while he recognized that the specific characteristics of each of the specialized agencies might have led some of them to wish to disassociate themselves from the common system, he was still convinced of the need to maintain a common staff remuneration structure for the entire system in order to standardize conditions of service and ensure equitable and comparable remuneration. Maintaining a common system was also important in order to achieve proper co-ordination and uniform administration of all elements of the system and to prevent its disintegration. His delegation commended ICSC for its efforts to strengthen and improve the common system, as well as to improve its functioning as an expert group and to increase the participation of representatives of the staff in its work. It was sure that the new working methods that had been adopted would result in a clearer report, which would make it easier to take decisions on a highly technical subject. The review of the functioning of ICSC should also in the future allow that body to address issues relating to personnel administration other than the question of remuneration, which had monopolized most of its attention.

38. While it supported most of the recommendations made by ICSC in its report, his delegation had some reservations concerning a few of the specific measures recommended.

39. First, the recommendation of ICSC regarding housing and remuneration structures appeared to complicate still further an already complex issue, and for that reason his delegation shared the concern expressed by the representative of Japan. It shared the doubts of the Argentine delegation regarding the criteria used to decide at which duty stations housing should be separated from the post adjustment system, as well as the financial consequences of that operation. In any event, the provisions in question were temporary and it would be a while before the advantages and disadvantages could be evaluated.

40. Second, his delegation had a few reservations concerning the recommendation of ICSC with respect to the net remuneration margin, which it accepted only because ICSC intended to avoid any negative impact on the morale of the staff of the

(Mr. Duhalt, Mexico)

system. Nevertheless, it remained convinced of the validity of the provisions of resolution 44/198 and thought that, in the future, ICSC should take the necessary steps to prevent annual margins from diverging from the desirable mid-point of 115. Moreover, it did not seem appropriate to use the level of remuneration in the private sector in the United States as a basis for comparison in determining the level of remuneration of the entire system. The Noblemaire principle should be applied scrupulously, and periodic reviews of the level of remuneration of various national civil services should be conducted in order to determine which should be used as the comparator civil service.

41. The practice of some Member States of paying financial compensation to nationals of their countries in the servoce of the Organization was a subject of concern. That practice not only ran counter to the principles of independence and impartiality that should govern the international civil service by creating a conflict of interest, but was also a source of injustice in a system of remuneration based on the principle of equal pay for equal work. It was to be hoped that ICSC would be able to propose measures to remedy that situation.

42. In conclusion, his delegation wished to commend the Joint Staff Pension Board for the efforts that it had devoted over the past year to a number of complex issues.

AGENDA ITEM 117: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/45/16 (Part I) and Add.1 and A/45/16 (Part II), A/45/226, A/45/370 and A/45/617)

43. Mr. ERDENECHULUUN (Mongolia) fully subscribed to the view expressed by the Secretary-General that further changes might be required to enable the Organization to adapt itself to respond fully and effectively to new and emerging issues (A/45/226, para. 260), especially with respect to economic growth and development, social progress, human development, environmental protection and the fight against terrorism and drug trafficking. His delegation particularly welcomed the strengthening of the peace-keeping and peace-making role of the United Nations, and of the good offices functions of the Secretary-General. The increased financial burden should be borne by the parties to the various conflicts or disputes. The analytical report of the Secretary-General indicated that considerable progress had been made in the political sector, in which many measures had been taken to strengthen the capacity of the Organization to deal with its primary responsibilities. Furthermore, a number of organs of the system had made laudable efforts to streamline their structures, check the proliferation of documentation, biennialize their sessions, rationalize their work programmes and improve the planning and organization of their meetings. Notable progress had also been made in reducing the staff of the Secretariat. It was worth noting that those many encouraging changes had been introduced despite the continuing financial crisis of the Organization. In that connection, a change was also necessary in the attitudes of the Member States, which must scrupulously honour their financial obligations to the world body.

(Mr. Erdenechuluun, Mongolia)

44. The process of reform and restructuring should be extended to encompass other areas, in particular economic and social issues. His delegation agreed with other delegations that high priority should be accorded to the reform of the economic and social activities of the Organization. It was regrettable that, after two years of negotiations, the Special Commission established by the Economic and Social Council had failed to reach agreement. He was looking forward to the proposals which the Secretary-General would be submitting to the General Assembly at its current session, following several important meetings and deliberations that had taken place in that field in 1990.

45. With respect to personnel questions, geographical distribution remained unbalanced, and special attention should be given to the recruitment of nationals of unrepresented or severely underrepresented Member States. In that connection, his delegation shared the disappointment of the Ghanaian delegation regarding the inadequate representation of developing countries at senior levels in the Secretariat.

The meeting rose at 11.40 a.m.

UNITED NATIONS

General Assembly

FORTY-FIFTH SESSION

Official Records

FIFTH COMMITTEE
36th meeting
held on
Monday, 26 November 1990
at 3 p.m.
New York

SUMMARY RECORD OF THE 36th MEETING

Chairman: Mr. KOULYK (Ukrainian Soviet Socialist Republic)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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In the absence of the Chairman, Mr. Koulyk (Ukrainian Soviet Socialist Republic), Vice-Chairman, took the Chair.

The meeting was called to order at 3.30 p.m.

AGENDA ITEM 119: PROGRAMME PLANNING (continued) (A/45/3, A/45/6, A/45/16 (Part I) and Add.1 and A/45/16 (Part II), A/45/204, A/45/218 and Corr.1 and Add.1 and Add.1/Corr.1, A/45/279 and A/45/617; A/C.5/45/42 and A/C.5/45/CRP.1)

Proposed medium-term plan for the period 1992-1997 (continued)

1. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to hear any further views or concerns which delegations might wish to express on the various programmes of the proposed medium-term plan for the period 1992-1997.

2. It was so decided.

Major programme I. Maintenance of peace and security, disarmament and decolonization (continued)

3. The CHAIRMAN said that the Secretariat had already taken note of the views and concerns expressed by various delegations in connection with major programme I.

4. Ms. GOICOCHEA (Cuba) said it was her understanding that there was no legal basis for the inclusion of subprogramme 3 in programme 1. Under programme 4, her delegation hoped that the Secretariat would delete any reference to the number of Territories awaiting decolonization, referring instead simply to Non-Self-Governing and other Territories. The narrative of that programme should also be adjusted to reflect its legislative mandate under General Assembly resolution 1514 (XV).

5. Noting that her delegation had already requested clarification as to the legal basis for the inclusion of subprogramme 4 under programme 7, she inquired why the phrase "the regional impact of the limitation of international arms transfers" had been included in paragraph 7.52 (b). The narrative of programme 8, meanwhile, should be adjusted to reflect the provisions of General Assembly resolution 44/46.

6. Ms. BERENGUER (Brazil) requested clarification as to the implications of the words "other forms" of intercession in paragraph 1.10 (a) and of "extrabudgetary funds related to peace-keeping activities" in paragraph 1.15. She also wished to know what was meant by the "review of the organizational structure within the Secretariat", in light of the reference, earlier in paragraph 1.15, to the Senior Planning and Monitoring Group for Peace-keeping Operations.

7. In paragraph 7.5, the reference to nuclear warheads should precede the mention of increasing arms transfers. Her delegation believed that there was no legislative mandate for activities "to discourage the proliferation of ballistic missiles" or for "limitations on arms transfers", both mentioned in paragraph 7.8,

(Ms. Berenguer, Brazil)

in which case those references should be deleted. Her delegation also agreed with the representative of Cuba that the assignment of priorities for regional centres, under subprogramme 4 of programme 7, was a matter to be decided by the countries of the region concerned.

8. Mr. OSELLA (Argentina) said that the conclusions and recommendations of the Committee for Programme and Co-ordination (CPC) relating to programme 4 (A/45/16 (Part I), para. 97) should be incorporated into the final version of the proposed medium-term plan.

9. Mr. CONMY (Ireland), noting that the First Committee had chosen to transmit no views on the programmes relating to disarmament, said that there were obviously shortcomings in the process of consultations with other United Nations bodies. Those shortcomings would need to be addressed when considering future medium-term plan proposals.

Major programme II. Implementation, codification and progressive development of international law (continued)

10. Ms. GOICOCHEA (Cuba) said that the comments of CPC in paragraph 131 of its report (A/45/16 (Part I)), as well as the discussions at the previous and current sessions of the General Assembly, made it clear that there was no express mandate for the reference in paragraph 9.39 to the establishment of an international criminal court. That reference should therefore be deleted.

11. Her delegation's comments on peace-making were valid for all programmes of the proposed medium-term plan.

12. The Secretariat's response to her delegation's question concerning paragraph 9.33 had been unsatisfactory. Further explanation should be given in the paper being prepared for the Committee's informal consultations.

13. Mr. BELHAJ (Tunisia) said that reference should be made, in subprogramme 3 of programme 9, to the United Nations Decade of International Law. The comments of CPC in connection with paragraphs 10.35 and 10.66 (A/45/16 (Part I), para. 139) should be duly reflected in the final version of the proposed medium-term plan.

Major Programme III. International co-operation for economic and social development (continued)

14. Ms. GOICOCHEA (Cuba) asked why, under programme 11, no account had been taken of the explicit mandate laid down in paragraph 6 of General Assembly resolution 44/215. The reference to alleviation of poverty in paragraph 11.18 (b) should be amended to read "eradication of poverty", in accordance with General Assembly resolution 44/212. Mention should be made, in connection with the subprogramme on co-ordination of policies and action to combat world hunger, of the impact of such policies on the economic and social development of States, in conformity with pertinent General Assembly resolutions.

15. Mr. CLAVIJO (Colombia) agreed with the representative of Cuba that the eradication of poverty should be established as a paramount objective of activities in the economic and social fields. If the draft resolution confirming that priority were to be adopted by the Second Committee, it should probably also be incorporated into the narrative of programme 12 of major programme IV.

Major programme IV. International economic co-operation for development (continued)

16. The CHAIRMAN said that the views already expressed by the representative of Brazil on major programme IV had been noted by the Secretariat.

17. Mr. BELHAJ (Tunisia), referring to subprogramme 6 of programme 12, said that paragraph 12.64 should include a reference to the eighteenth special session of the General Assembly and that paragraph 12.65 should mention desertification. Under programme 13, the word "equitable" in paragraph 13.32 (a) should be amended to read "favourable", and the entire phrase "under favourable terms and conditions" should be included in paragraph 13.32 (b) after the word "technology".

18. With reference to programme 14, paragraph 14.11 should include a reference to the pertinent paragraphs of the Declaration on International Economic Co-operation, adopted at the eighteenth special session of the General Assembly. Paragraph 14.12 (b) should mention the urgent need to end negative transfers of resources and their replacement by positive transfers in favour of developing countries. Paragraph 14.13 should also emphasize negative flows of financial resources. Subprogramme 2 of programme 14 should include an explicit reference to the report of the Personal Representative of the Secretary-General on Debt, and paragrap' 14.16 should mention the middle-income countries.

19. Ms. GOICOCHEA (Cuba), referring to programme 12, said that paragraph 12.4 should include a more direct reference to the economic situation of the developing countries, as highlighted during the eighteenth special session of the General Assembly. Paragraph 12.6 should mention the expectations that changes in the disarmament area would facilitate the release of resources required to promote the economic development of the developing countries. The second sentence of paragraph 12.13 should refer to "fully sustained development". The fifth sentence of paragraph 12.23 should include the words "and promote the economic development" after the words "growth momentum". In the following sentence, the words "growth-oriented adjustment" should be amended to read "growth-oriented policies". With regard to paragraph 12.33, her delegation was unaware of any legislative mandate for "the reassessment of the role of Governments in furthering the processes of economic and social development" or for an analysis of "the efficiency and efficacy of selected institutions". The reference, in paragraph 12.36, to "the levelling and eventual reduction of defence expenditures in developed and developing countries" should be amended to reflect the mandates of the First Committee, which referred to all States, and particularly to nuclear-weapon States with the largest military arsenals. In paragraph 12.45, it should be made clear that the reference to "adjustment efforts" derived essentially from adjustment programmes. Her delegation shared the views expressed by the representative of Tunisia in connection with subprogramme 6.

(Ms. Goicochea, Cuba)

20. Under programme 14, her delegation, while noting the recommendations of CPC contained in paragraphs 166 (c) and (d) of its report, requested clarification as to whether the programme referred specifically to the situation of the developing countries. In view of its serious concerns with respect to programme 21, her delegation requested that a representative of the Department of Technical Co-operation for Development (TCD) explain the legislative basis for that programme's new orientation. The programme appeared to constitute interference in the internal affairs of States and to run counter to the spirit of Economic and Social Council resolutions 1985/10 and 1988/115, to paragraph 21.26 of the programme narrative and to paragraph 1 (d) of the preamble of the Regulations and Rules Governing Programme Planning.

21. Ms. BERENGER (Brazil) said that, while she did not wish to repeat what she had said during the previous discussion of major programme IV, her delegation felt very strongly that the programme did not reflect the new mandate arising out of the resolution adopted by consensus at the eighteenth special session of the General Assembly and General Assembly resolutions 44/205 and 44/232. It shared the views of the Cuban and Tunisian delegations in that regard. She thanked the representative of Ireland for his reminder of the importance of the opinions of the other Main Committees. To her knowledge, there had been no opposition to the views expressed in the Second Committee by the Group of 77 with respect to programmes 13 and 14 of the medium-term plan, and there was no reason why the Fifth Committee should not take them into account.

22. With respect to programme 19, since natural resources would be one of the main topics of the United Nations Conference on Environment and Development, the programme should be adjusted in order to harmonize fully with preparations for the Conference. The same was true of programme 20, on energy. Her delegation felt strongly that protecting the environment called for international co-operation on energy. Both natural resources and energy were closely linked with programme 16, about which her delegation had previously expressed its views.

23. Mr. KINCHEN (United Kingdom) said that he hoped the views expressed by his delegation in other forums would be taken into consideration even if they were not reiterated before the Fifth Committee in formal meeting. He was not sure that there was a cohesive view in either the Second Committee or the Third Committee on major programme IV, or on major programmes V and VI for that matter. His delegation supported the views expressed by the representative of Italy on behalf of the 12 States members of the European Community.

24. If the Committee was seeking to recast some of the major elements of the proposed plan during the course of its formal meetings, he might add that, in terms of the Regulations and Rules Governing Programme Planning, the division of programmes 9 through 29 into separate major programmes was questionable, as was the way in which those programmes had been broken down into subprogrammes. For example, subprogramme 3 of programme 12 strongly resembled subprogramme 2 of programme 14. There was a great deal that might be criticized with respect to the drafting and the legislative mandate of some of the programmes and subprogrammes.

(Mr. Kinchen, United Kingdom)

25. He would not reiterate all the amendments that his delegation had proposed should be made to programme 23, since he hoped that points that had been made earlier would be taken into consideration in determining the final text. Lastly, as the Committee would remember, his delegation had raised the issue of reliance on legislative mandates that were over five years old. While he realized that it might take considerable time to justify the inclusion of each such mandate according to the Regulations and Rules, he nevertheless wished to ask the Secretariat to add that topic to the list of questions on which it should comment.

Major programme V. International co-operation for social development (continued)

26. Ms. GOICOCHEA (Cuba) said that her delegation had a number of questions regarding programme 28. In the last sentence of paragraph 28.8, there was mention of the actions to be taken by the International Narcotics Control Board (INCB) in the event that, in its opinion, Governments were not fully applying the provisions of drug control treaties or were encountering difficulties in doing so and she asked the Secretariat to give its interpretation of the meaning and scope of that sentence. Concerning paragraph 28.17 (a), she would like to know in what form assistance to Governments in connection with drug control treaties had been dealt with in the relevant resolutions, since the language of the sentence in question appeared somewhat coercive. She would also like the Secretariat to discuss the scope of paragraph 28.29 with regard to assistance to developing countries. Paragraph 28.35 referred to actions that might be taken by ICNB, including the imposition of sanctions. She was curious as to the scope of such actions and wondered on what legal authority they could be based. She was not sure that ICNB had the power to recommend sanctions.

27. Turning to programme 29, she said that paragraph 29.18 referred to the existence of a movement for an international criminal jurisdiction. In that connection, she wished to reaffirm the comments made by her delegation during the discussion of programme 9, on international law. Paragraph 29.20, which cited the legislative authority for subprogramme 2, should also include a reference to the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders. Lastly, referring to paragraph 29.32, which spoke of abolishing or decreasing the use of capital punishment, she said that, despite extensive debate on that subject, no clear decision had been reached, and she wondered about the legal basis for the reference.

28. Mr. MICHALSKI (United States of America) said that he wished to associate his delegation with the views expressed by the representative of Cuba regarding capital punishment. His delegation would like to hear the Secretariat's explanations with regard to programme 29.

Major programme VI. Regional co-operation for economic and social development (continued)

29. Ms. GOICOCHEA (Cuba), referring to programme 33, said that paragraph 33.5 mentioned a need to reform and rationalize the public sector "both as regards the activities and functions of the central Government and in respect of the performance and the role played by public enterprises". She was unsure as to the legislative authority for that statement and would like to know on which resolutions of the Economic Commission for Latin America and the Caribbean (ECLAC) it was based.

Major programme VII. Human rights, fundamental freedoms and humanitarian affairs (continued)

30. Ms. ROTHEISER (Austria) said that, in the light of the importance that her country attached to the promotion and protection of human rights, she wished to reiterate the views already expressed by her delegation at the thirtieth session of CPC and in the Third Committee. Programme 35 should refer specifically to all international human rights instruments, including the Universal Declaration of Human Rights. In principle, her delegation agreed with the decision to give highest priority among the subprogrammes to subprogramme 1. However, that subprogramme should contain a reference to the implementation of international standards, as the current plan did. With respect to subprogramme 2, she said that the rights of migrant workers and the rights of minorities were of a different nature, and a clear distinction should be made regarding activities in that field. Subprogramme 4 covered a wide range of issues that were not related to human rights and should be dealt with in other programmes. Lastly, her delegation underscored the importance of strengthening the capacity of the Centre for Human Rights by providing adequate staffing and additional financial resources from the regular budget.

31. Ms. GOICOCHEA (Cuba), referring to programme 35, said that it was important for the programme to reflect the relationship between human rights and economic and social development. The second sentence of paragraph 35.3 should either be deleted or amended, since it did not give a complete assessment of that relationship. With respect to paragraph 35.6, she would like to receive information from the Secretariat concerning the meaning of the statement that greater emphasis would be given to "the requirements of national institution-building, as well as information and education". The final sentence of paragraph 35.12 should be qualified by a clear statement to the effect that such action would be taken only when it had been demonstrated that all existing resources had been exhausted at the national level and that there were still certain flagrant violations of human rights. Paragraph 35.22 should include a reference to other forms of discrimination besides racial discrimination. With reference to paragraph 35.31 (a), which mentioned the training of government officials or "other persons" whose functions were related to the promotion and protection of human rights, she said she would like clarification of the term "other persons"; she wondered whether it might mean human rights experts acting in a private capacity or, possibly, intergovernmental organizations.

32. Mr. CHEN Xu (China) said that programme 35 did not give a balanced and complete picture and that his delegation shared the views expressed in the Third Committee on behalf of the Group of 77 regarding the relationship between human rights, peace and development, as well as the rights of peoples to self-determination and independence. It supported the opinion expressed by the representative of Cuba concerning paragraph 35.3 and thought that the views expressed in paragraph 298 of the report of CPC (A/45/16 (Part I)) should be incorporated in that paragraph. With respect to paragraph 35.41, his delegation agreed with the Group of 77 that the paragraph should be reworded to reflect the importance of the fundamental right of peoples to self-determination, which should take precedence over other aspects of human rights, such as bio-medical technology and discrimination against HIV-infected persons.

33. Ms. DAES (Greece) said that her delegation supported the views expressed by the representative of Austria regarding the desirability of strengthening the Centre for Human Rights so that it would be able to play a greater role in the promotion and protection of human rights. She asked the Chairman to ask the Secretary-General to submit to the Fifth Committee the report requested in resolution 1990/47 of the Economic and Social Council. As the observer for her country had stated at the thirtieth session of CPC, it was necessary to consider the very close relationship between the protection and promotion of human rights and international peace and security.

34. Mr. KINCHEN (United Kingdom) said that his delegation shared the views expressed by the representatives of other delegations with respect to the importance of programme 35. It was willing to be bound by the conclusions of CPC as long as other delegations felt so bound. In references made to the views expressed in the Third Committee with regard to the proposed medium-term plan, prominence had been given to the opinions of the Group of 77, and he wished to stress that the views of his delegation had been expressed by the representative of Italy, speaking on behalf of the 12 States members of the European Community. Reference had also been made to the discussion of programme 35 in the report of CPC; the very divergence of the views presented in that report indicated that there was no consensus.

35. Mr. MICHALSKI (United States of America) said that, with respect to the views of the Group of 77 regarding human rights priorities, it was not possible to set priorities in that area, and his delegation was opposed to the rewording of paragraph 35.41. It shared the concerns expressed by the representatives of Austria and Greece with regard to the financing of human rights programmes, which currently represented only 1 per cent of the United Nations budget, and it hoped that future budgets would provide increased financing through the redeployment of funds.

36. Mr. LAOUARI (Algeria) said that some aspects of the promotion and protection of human rights had been ignored or insufficiently developed in programme 35, despite numerous mandates. His delegation attached considerable importance to the right of peoples to self-determination and independence, a view that had been expressed in the Third Committee on behalf of the Group of 77. It thought that the programme should be revised to reflect the need to protect human rights in the occupied Palestinian territories.

37. Mr. MEDINA (Israel), referring to the comments of the representative of Algeria, said that programme 35 should be revised to provide for the protection of the population of Judea and Samaria against the Palestine Liberation Organization, which was eliminating all those who did not agree with it.

Major programme VIII. Public information (continued)

Major programme IX. Conference services (continued)

Major programme X. Administrative services (continued)

38. The CHAIRMAN noted that there were no further comments on major programmes VIII, IX and X. The Committee had thus concluded its consideration in formal meeting of the proposed medium-term plan for the period 1992-1997.

39. Ms. GOICOCHEA (Cuba) reminded the Chairman that she had requested that a representative of the Department of Technical Co-operation for Development (TCD) who was involved with programme 21 on public administration and finance should explain certain aspects of that programme to the Committee. It was important to hear that explanation in formal meeting, since the problem concerned the programme in general, not just certain elements, and since negotiations in informal meeting would be closely related to the information supplied regarding the legislative mandate for the programme.

40. The CHAIRMAN said that the Cuban representative's comments had been noted and would be reflected in the paper to be prepared by the Secretariat. It was hoped that a representative of TCD would be available to speak to the Committee the following day. The Cuban representative would also have an opportunity to receive additional clarification during informal meetings.

The meeting rose at 4.50 p.m.

UNITED NATIONS

General Assembly

FORTY-FIFTH SESSION

Official Records

FIFTH COMMITTEE
37th meeting
held on
Thursday, 27 November 1990
at 3 p.m.
New York

SUMMARY RECORD OF THE 37th MEETING

Chairman: Mr. MAYCOCK (Barbados)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 3.25 p.m.

AGENDA ITEM 127: UNITED NATIONS COMMON SYSTEM (continued) (A/45/30 and Add.1; A/C.5/45/23, A/C.5/45/24, A/C.5/45/29 and A/C.5/45/43)

AGENDA ITEM 128: UNITED NATIONS PENSION SYSTEM (continued) (A/45/9 and A/45/699; A/C.5/45/7, A/C.5/45/22 and A/C.5/45/43)

1. Mr. NASSER (Egypt) said that his delegation, while awaiting the report on the functioning of the International Civil Service Commission (ICSC) requested in General Assembly resolution 44/198, wished to emphasize that the Commission's working agenda must bear in mind the differences in legal status between organizations, the staff and Member States respectively, as reflected in both the statute and the current working methods of the Commission.

2. There might be practical difficulties in managing the margin between the net remuneration of the comparator civil service and that of the United Nations system over a five-year period, but any reconsideration of the revised margin methodology approved under General Assembly resolution 44/198 should be postponed until it was possible to judge the methodology's impact properly.

3. His delegation was unable to pronounce itself on the Commission's recommendation to increase the current base/floor salary scale without certain clarifications. In particular, it wished to know the views of the Commission and the Secretariat as to the likelihood in the near future of further changes in comparator conditions of service and whether further increases in the base/floor salary scale would be recommended at every subsequent session of the General Assembly.

4. It was regrettable that 51 Member States, including four permanent members of the Security Council, should have failed to provide information concerning supplementary payments and deductions, which ran contrary to the spirit of the Charter and undermined the Noblemaire principle, as well as adversely affecting staff morale. His delegation had hoped - in vain - that the improvement in conditions of service adopted at the previous session of the General Assembly would lead to a curtailment of such irregular practices.

5. Under article 12 of its statute, the Commission was entitled to make recommendations as to salary scales, it being the prerogative of the Secretary-General and the executive heads to accept or reject such recommendations. While his delegation had always supported the Secretary-General in the exercise of his authority in such matters, it felt that, in the case of the recent review of conditions of service of the General Service and related categories, it was wrong to question the technical competence of the Commission's survey, thereby creating an unfortunate precedent for the work of the Organization.

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6. His delegation endorsed the recommendations of the United Nations Joint Staff Pension Board, as contained in its report (A/45/9). It welcomed the Board's efforts to diversify its portfolio and to maintain a careful balance between risk and reward expectations. It also endorsed the practice, pursued since 1985, of reducing investments in equities in favour of bonds. It welcomed the increase in investments in developing countries, despite the disparity between the figures for that increase in the Arabic and English texts of the report, but regretted that such investments still represented only a very small proportion of total holdings. Many developing countries had gone a long way towards providing investment opportunities in accordance with the criteria established by the General Assembly, and his delegation felt that there was an urgent need to adjust the Fund's investments accordingly.

7. Mr. RUEDAS (Spain) said that his delegation fully subscribed to the statement on agenda item 128 made by the representative of Italy on behalf of the 12 States members of the European Community. It also, however, noted the concern expressed by the United Nations Joint Staff Pension Board with respect to the continuing problem of the refund of taxes from a number of countries, including his own. The complexity of the problem made it impossible for his delegation to provide a definitive response to those concerns during the current session of the General Assembly, for which reason it suggested that the subject be considered, with the benefit of further detailed studies, at the Assembly's next session.

8. Mr. AKWEI (Chairman of the International Civil Service Commission) drew the Committee's attention to the recent addendum (A/45/30/Add.1) to the Commission's report, which answered some of the questions raised by delegations during the general debate. He would now proceed to address the remaining questions on a subject-by-subject basis.

9. With regard to the functioning of the Commission, the spirit of co-operation with the staff and administrations had been maintained during 1990. The Commission had deliberately chosen not to define too precisely what was meant by the "major issues" to be addressed by tripartite working groups, since it wished to give full consideration to the views of administrations and staff representatives as the occasion arose. Its approach would, however, be circumspect, bearing in mind the effects of such a mechanism on the Commission's work-load and operational costs. The two working groups established for 1990-1991 would address the status of women and the pensionable remuneration of General Service and related categories, in the latter case working together with members of the United Nations Joint Staff Pension Board. While the Commission agreed with those delegations which asserted that decisions concerning its working methods should be without prejudice to its right to hold executive session, that consideration had already been overtaken by events.

10. With respect to pensionable remuneration for the Professional and higher categories, it was his understanding that the Commission's recommendations in paragraphs 38 (a) and (e) commanded support among delegations. Clarification had been sought with regard to the interim adjustment procedure and, in particular, as

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to whether the change in that procedure introduced at the forty-fourth session would become permanent. Since the General Assembly had already amended article 54 (b) of the Pension Fund Regulations to incorporate the change, the Commission had made no recommendation in that regard and would have no reason to revert to its consideration at the current session. Noting that some delegations had questioned the need for a margin range for pensionable remuneration, he said that there had been similar feelings among some members of both the Commission and the Pension Board. However, the Commission had decided to recommend the margin range, and it was for the General Assembly to accept or reject that recommendation. There was, meanwhile, no difference between the Pension Board and the Commission regarding the methodology for determining pensionable remuneration - based on the income replacement ratio - as approved by the General Assembly in 1986 and applied since 1 April 1987.

11. With regard to housing and remuneration structures, the Commission itself, like many delegations, was not entirely satisfied with its proposals and hoped to find a more complete solution in due course. There was, however, some need for caution. The separation of housing from post adjustment would have created more complexity in the methodologies of margin calculation and pensionable remuneration respectively. It would be wrong to impose simplicity in one area and thereby create complexity in others.

12. The selection of the 25 small field duty stations where housing would be separated from post adjustment was currently subject to consultations between the Commission's secretariat and representatives of the staff and administrations. The conditions to be fulfilled by such duty stations were listed in paragraph 95 (c) (i) of the Commission's report. The criteria would be applied on an experimental and pragmatic basis, with a view to facilitating flexible reaction to problems as they arose.

13. It was not entirely correct to state that, because housing was still included in post adjustment, the remuneration system had undergone no simplification. Besides the measures to simplify the post adjustment system itself, as reported to the General Assembly at its forty-fourth session, the method of measuring housing costs had been simplified by the projected use of external data sources and the use of gross rents. Statistical devices already existed whereby commuting distances and shopping facilities could be factored into such external data sources. As soon as the housing standards of international civil servants were established, the appropriate information could easily be entered into computer programmes.

14. The revised rental subsidy scheme had been devised to address the special housing problems of newcomers to Group A duty stations. The scheme was experimental and would be reviewed after three years. It was not open-ended, as some delegations had argued, but programmed to terminate after the staff member's rent/income ratio fell to the level of the threshold. He understood that the inclusion among eligibility criteria of increase in family size and a desire to move from unacceptable to acceptable accommodation gave rise to fears of abuse, but it should be recognized that the restrictive nature of the previous scheme did

force some staff into inadequate housing. The Commission estimated that such instances would be limited and subject to close administrative scrutiny. He also noted that the scheme would be restricted to only certain groups of staff, with more than half the staff in New York, for example, not being eligible. If the Commission's recommendations were to be accepted, the two current separate rental subsidy schemes would be replaced by a single scheme applying to Headquarters and a large majority of field duty stations. For a small group of field duty stations, no rental subsidy scheme would be required as staff members would be fully reimbursed, up to a defined limit, for their housing expenses. The proposals for a unified scheme were designed to improve the Headquarters scheme by incorporating elements of the system which had worked well in the field.

15. Regarding expatriate entitlements, one delegation had asked why the Commission had not taken up the suggestion to discontinue expatriate entitlements for new staff living in their own country, while protecting the acquired rights of existing staff. It had not been possible to give the issue, which affected less than 1 per cent of Professional and higher level staff, full consideration at the July session because of the very heavy agenda, but it had emerged that a detailed analysis of the staff rules and regulations of all the organizations would be required before the Commission could make a legally watertight recommendation on the subject.

16. With regard to the conditions of service of Assistant Secretaries-General and Under-Secretaries-General, there had been some support for the Commission's proposals regarding revised housing subsidy arrangements for officials at those levels. Some delegations had expressed concern, however, and had called for a comprehensive review of the conditions of service of those officials. If such further studies were required, the Commission would be happy to undertake them.

17. Referring to post adjustment matters, he expressed appreciation of the support of delegations for the measures adopted by the Commission to deal with duty stations where there was a significant difference between the post adjustment index and the actual multiplier. One delegation had asked how many cases there were expected to be where post adjustment indices were markedly lower than the existing pay index. The report on the surveys conducted at the seven headquarters duty stations and Washington, D.C. (A/45/30/Add.1, para. 13) showed that differences between post adjustment indices and actual multipliers were not significant. Those eight duty stations accounted for 57 per cent of the Professional and higher level staff of the common system. While it was impossible to predict the outcome of the surveys yet to be conducted, a review of existing post adjustment indices and multipliers showed that 11 out of a total of 181 duty stations would require multipliers to be lowered to bring them within one class of the applicable post adjustment index. Referring to the concern that had been expressed that there were duty stations at which there were currently six or more classes of post adjustment, implying a level of 30 per cent above that justified by the actual cost of living, he said that there were only two such cases, involving a total of approximately 65 staff, or 0.3 per cent of the total Professional and higher level staff of the common system. The Commission was confident that the new measures already approved would resolve that situation.

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18. The support expressed for the Commission's view regarding the need for a common system approach to the use of longevity steps was particularly gratifying in view of the position taken by the Consultative Committee on Administrative Questions (CCAQ) that the issue had implications for the decisions which the sovereign legislative bodies of the organization could take. He trusted that the emphasis placed on the importance of the common system would be appropriately reflected in the draft resolution that the Fifth Committee would recommend to the General Assembly.

19. The subject of the management of the net remuneration margin had once again attracted great interest in the Committee. There had been a number of requests for clarification regarding the recommendation in paragraph 188 (d) of the Commission's report about the management of the margin over a five-year period, and concern had been expressed about the possibility of a freeze in 1991. The two issues, although related, needed to be carefully distinguished, since action on the five-year management period would not necessarily make the projected freeze unnecessary but merely limit it to a shorter period. Until 1985, the margin had been operated on a pragmatic basis. The General Assembly had instituted the five-year system in 1989, following a review of the proposals made by ICSC on the management of the margin in the context of the comprehensive review.

20. At the thirty-second session of ICSC, it had been revealed that, bearing in mind the projected margins for 1990 and 1991, the five-year arrangement would require an average margin of about 112.5 in the years 1992-1994, which could be achieved only if New York remuneration remained frozen for the next three years. He noted, furthermore, that when inflation rates were lower at European duty stations than at New York, the required length of a freeze at those stations would be proportionately longer than at New York.

21. One delegation had expressed anxiety that the discontinuation of five-year averaging and the use of a free-floating margin might automatically result in an actual margin at the top of the range. Another had suggested that it was unlikely that the level of United States federal civil service salaries would increase at or beyond the rate of inflation and that the ICSC recommendation would thus be tantamount to raising the margin to the top of the range. He agreed that, as long as comparator pay increases were less than inflation, there was no technical reason to believe that the margin would not float to the top of the range. It was not clear, however, that the comparator would continue to pay less than inflation. Information on long-term pay reform measures being put into effect by the United States Government was provided in paragraphs 10 and 11 of the addendum to the Commission's report (A/45/90/Add.1). Recent history might not be a good guide to the evolution of comparator pay over the next few years and it was therefore not possible to say definitively that discontinuation of five-year averaging would lead to the margin floating to the top of the range. One delegation had described such a development as tantamount to an across-the-board fixed percentage increase in salary. The logical corollary would be that falling to the bottom of the range would be tantamount to imposing an across-the-board decrease. It was that aspect which had been such a source of concern to the Commission, the Administrative

Committee on Co-ordination (ACC) and the staff. Five-year averaging would result in a freeze in 1991, probably extending until 1994. Even without five-year averaging, the requirements of annual margin management would probably mean a freeze in 1991.

22. Some delegations had asked what the effect would be of reaching the margin ceiling of 120 in 1991. With the current methodology, the position was simple. There would be a freeze in New York and post adjustment indices around the world would have to scaled back to maintain purchasing power parity with the base; the real income of common system staff would thus be reduced. That would negate the effect of the increase granted in July 1990 which had been intended to improve the system's competitiveness. There would be no way, using the existing methodology and procedures, for the Commission to respond to the request of ACC that purchasing power should be maintained across the United Nations system and that the post adjustment system should operate smoothly through the normal movement of cost of living at the base of the system. In the longer-term perspective, the ACC request was understandable. The comprehensive review just completed had brought an improvement in competitiveness but, within one year, competitiveness would be eroded through the same set of factors which had led initially to the need for the comprehensive review. That kind of salary policy was hardly defensible.

23. In the circumstances, the Commission had felt bound to draw the Committee's attention to the likelihood of a freeze in 1991. That purely technical projection would have policy consequences in 1991, and he therefore urged the Committee to consider most carefully the best course to follow in the light of long-term pay reform in the comparator service, the ongoing study to establish a methodology for identifying the best-paid national civil service, and the continuing need to maintain the level of competitiveness established as a result of the comprehensive review. Given those considerations, it might be possible for the General Assembly both to reaffirm the soundness of the margin range system for the long term and to allow it to be managed sufficiently pragmatically in the short term to meet the concerns of ACC and avoid returning to the uncompetitive situation prevailing before the comprehensive review.

24. With regard to the proposed increase in the base/floor salary scale by the consolidation of 8.5 multiplier points, some delegations had requested an explanation of those multiplier points and of the scale's linkage to the mobility and hardship scheme. The existing scale had been established with reference to corresponding base net salary levels at Washington, D.C., the base city of the comparator civil service. At its thirty-second session, the Commission had been informed that the salary scale would have to be increased by approximately 12 per cent in order to reflect the 3.6 per cent increase in United States federal civil service gross salaries granted on 1 January 1990, the 4.1 per cent increase which was expected to go into effect on 1 January 1991, and the effect of taxation calculated on the same basis as the margin. After considering those elements, ICSC had arrived at a recommendation which would reflect tax treatment and changes in comparator salaries to date, but not the prospective 1991 increase. It was recognized that, in so doing, a one-year lag would be created between increases in

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comparator salary levels and those of the United Nations system. However, ICSC believed that that was reasonable, given the uncertainties relating to comparator salary adjustments in recent years.

25. Regarding the linkage of mobility and hardship allowances to the base salary scale, he recalled that one of the Commission's primary concerns the previous year had been competitiveness, particularly in relation to technical co-operation activities in the field. In the comprehensive review, it had become apparent that questions of competitiveness were particularly acute at difficult duty stations where the comparator provided a markedly superior package in addition to basic salary. The current United Nations package was designed to address that situation. The system was meant not only to be competitive at its inception but also to remain so through adjustments over time, since comparator post allowances and differentials were also adjusted over time, in line with changes in basic salary. Thus, linking the mobility and hardship scheme to the base/floor salary scale was a deliberate element of the current remuneration structure. It also helped to simplify the system by making it possible to eliminate individual adjustment arrangements for the various allowances. One delegation had requested a new mechanism for adjusting matrix percentages in relation to any upward adjustments of the salary scale, in order to offset any financial implications for the matrix. Apart from adding a new complexity to the system, that proposal would be a step backwards in terms of maintaining the real value of allowances, which was basic to competitiveness. The problem that matrix costs might reach an unjustifiably high level was more apparent than real, since, in normal years, the percentage adjustment would be directly limited to the percentage in the federal civil service scale in the prior year. The current proposal was a one-time refinement resulting from the use of average salaries in calculating the margin, and changes in tax calculations had necessitated a base/floor scale increase which was different from the change in the federal civil service scale. The base/floor salary scale was also used for the calculation of most separation payments. The old scale, which would have been due for review in October 1990, would have required an increase approximately 3 per cent higher than that proposed for 1 March 1991.

26. On the question of the recommendation regarding the education grant, he noted that the study scheduled for 1991 was purely methodological. The intention was not to collect actual data in 1991 but rather to examine data sources and alternative methods of computing allowances so that problems of equitable treatment could be resolved. The Commission had considered the need to establish an education grant review cycle as part of the comprehensive review. The comparator reviewed grant levels annually and school fees were generally adjusted annually. Common system practice in the past had been variable, sometimes resulting in grants very much out of line with actual fees. The Commission had therefore agreed that grants should be reviewed every two years. Since the most recent review had been in 1988, he urged the Committee to consider the matter at the current session. An important question of equitable treatment was involved. While the average number of cases above the current ceiling of $9,000 was only about 10 per cent, the level of the grant in a limited number of currency areas was more inadequate than the global

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figure appeared to show. The Commission had reviewed the matter carefully and had determined that a selective approach would best resolve the situation in order to satisfy the needs of both equity and economy.

27. The Commission would continue to accord the question of the status of women all due priority. What was needed was implementation by the organizations of the recommendations already made rather than any new recommendations. The working group established to consider the question of the status of women would deal with all categories of women staff members.

28. With regard to the implementation of the Commission's recommendations and decisions, he noted that considerable interest had been expressed in the problem of the New York General Service salary survey. The Commission's position, which had been made clear in its reports, was that it was simply complying with article 17 of its statute, which required it to report to the General Assembly on the implementation of its decisions and recommendations, in other words, on the action taken by the various administrations on its recommendations. The Secretary-General had cited staff morale and technical difficulties in the survey as his reasons for setting aside the Commission's recommendation. While the Commission could not comment on the issue of staff morale since that was not a technical matter, it could not agree that technical difficulties, brought up only after the results of the survey were known, were valid reasons for setting aside its recommendation. It was satisfied that the survey had been carried out in a technically competent manner. Some clarification was required from the Under-Secretary-General for Administration and Management regarding the import of his statement, in the context of a salary survey for General Service staff, that 72 per cent of New York General Service staff were not nationals of the United States. In general, the technical soundness of the New York survey had been recognized by delegations. The Commission's concern was to establish the primacy of the principle of best prevailing conditions and to promote a common system approach to salary surveys. The matter would probably be settled in informal consultations between the Committee and representatives of the Secretary-General, but the ICSC secretariat was available to assist if required. The current round of surveys of best prevailing rates at headquarters duty stations would be completed in 1991, when surveys for Geneva and Vienna would be reviewed. Following that, the Commission would undertake a comprehensive review of the experience gained in the current round and would reflect that experience in a review of the general methodology for General Service salary surveys.

29. With regard to the Commission's future programme of work, he thanked the representatives of Australia and Mexico for drawing attention to the importance of personnel policy to the whole common system and for asking the Commission to address that question. Personnel policy had in fact been one of the Commission's constant concerns and would be emphasized in its future work programme. He hoped that the Fifth Committee would assist it in that endeavour by not assigning it too many quantitative tasks.

30. Mr. ZADOR (Chairman of the Joint Staff Pension Board) said that he was grateful for the support that had been expressed for the conclusions and recommendations of the Joint Staff Pension Board. On the pensionable remuneration of staff in the Professional and higher categories, there had been broad support for the conclusions and recommendations of ICSC and the Board, although there were some differences of opinion both within the Fifth Committee and in the Board itself regarding the need for a margin range for pensionable remuneration. With regard to the pensionable remuneration and consequent pensions of staff in the General Service and other locally recruited categories, attention had been drawn to the importance of the comprehensive review to be carried out the following year by ICSC, in full co-operation with the Board.

31. In general, primary importance had been attached to the maintenance of a common system with respect to pensionable remuneration in order to ensure the unity, cohesion and integrity of the United Nations Joint Staff Pension Fund. Concerning the pensionable remuneration of ungraded officials, several delegations had expressed the opinion that, in order to strengthen the common system approach, the Board should consider possible changes in the Regulations of the Fund so as to define the pensionable remuneration and pension entitlements of all participants, taking into account the views expressed by the governing bodies of the member organizations on the information contained in the Board's report. Several speakers had suggested that ICSC should participate in the review of the pensionable remuneration of ungraded officials.

32. On the pension adjustment system, there had been general support for the transitional measure recommended by the Board, which was to be applied for 15 months following the expiration of the current interim floor measure on 31 December 1990. Delegations had, however, underscored the need for the Board to arrive at broadly acceptable recommendations on a longer-term modification of the existing arrangements for determining the initial local currency pension. Several statements had referred to the need for the Preparatory Group and the Board itself to take into account the observations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/45/699). A number of delegations had stressed the importance of avoiding the introduction of undue complexities into the system and, in particular, the need to maintain the financial health of the Fund without requiring frequent changes in the contribution rate, bearing in mind that the contribution rate had been increased significantly on 1 January 1990.

33. Concerning the request by the International Labour Organisation (ILO) for assistance from the Board in implementing the results of recent judgements of the ILO Administrative Tribunal, there had been support for the position taken by the Board regarding the conditions to be met by ILO.

34. In response to the request for information on how the Fund's administrative costs compared with those of comparable private pension funds, he said that such comparisons were difficult because of the world-wide distribution of the Fund's participants and beneficiaries, with benefits varying according to the place of retirement in application of the unique two-track adjustment system. As indicated

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in the 1989 Report of the United Nations Joint Staff Pension Board (A/44/9, para. 131), the Committee of Actuaries had concluded that 0.20 per cent of pensionable remuneration for administrative costs could be justified in the light of developments in the Fund over the previous 25 years, but, as a spur to efficiency in the Fund's secretariat, it had recommended, and the Board had agreed, that the limit for administrative expenses should be set at 0.18 per cent. Actual expenditures had thus far been below that figure.

35. Lastly, he expressed the strong conviction that efforts to find solutions to pension-related problems would be advanced if the positions of Member States were consistent and unambiguous in all member organizations. The ability to negotiate a compromise within the Board would be significantly enhanced by a clear understanding on the part of all concerned that it was imperative that solutions to pension problems should be found within the framework of the Fund, rather than through separate actions by individual member organizations.

36. Mr. FORAN (Assistant Secretary-General, Representative of the Secretary-General for the Investments of the United Nations Joint Staff Pension Fund) said that the points and suggestions made by the representatives who had commented on the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund (A/C.5/45/7) had been carefully noted and that the Secretariat would be following up on them individually. He was pleased to note the favourable comments that had been made on the Fund's policy of diversifying its investments not only by sector but also by currency. He agreed with the speakers who had advised extreme caution in the present volatile financial environment and said that the Fund would continue to make safety its first criterion and would maintain its defensive strategy of emphasizing the fixed-income sector over the less secure equity sector.

37. In response to the request for additional information on the investment return of the Fund compared with other pension funds, he said that it had not been possible to locate other pension funds of approximately the same size and with approximately the same overall investment and liability requirements. However, measured against the SEI index, which was based on a sample of 80 United States pension funds with assets in excess of $100 million, the Fund's annualized return of 16.54 per cent for the five-year period ending 31 March 1990 had been achieved only by funds in the top fifth percentile of the SEI index.

38. Responding to a request for further assurances of continued efforts to increase the soundness of the investments, he said that the institutional arrangements for the management of those investments would continue to ensure their safety and soundness. The Investments Committee, which was central to the institutional framework, met four times a year, once in conjunction with the Board. It laid down the investment strategy in the light of the prevailing conditions, reviewed all the transactions which had taken place and advised on equities to be included in the list of high-quality bonds and sovereign bonds approved for purchase by the Fund. The advice of the Investments Committee was supplemented by the services of the global adviser and the global custodian engaged

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by the Fund, a large network of advisers throughout the world and the staff of the Investment Management Service of the Secretariat. In addition, the investment activities were audited annually by internal and external auditors and were reviewed each year by the Pension Board, the Advisory Committee and the Fifth Committee.

39. Mr. NASSER (Egypt) said that, before the Committee concluded the general debate on agenda items 127 and 128, he hoped that the Chairman of ICSC would be able to answer a question that he had raised on an earlier occasion concerning the Commission's decision to recommend to the General Assembly that the base/floor salary scale should be increased by 8.5 per cent beginning 1 March 1991. He would like to know whether the General Assembly would be expected to consider a new recommendation whenever there were changes in the conditions of work of the comparator system.

40. Mr. AKWEI (Chairman of the International Civil Service Commission) said that ICSC had recommended that increase in accordance with General Assembly resolution 44/198, which established comparability between the base/floor salary in the United Nations and the United States federal civil service comparator system. The implication was that changes in the comparator system should be matched by changes in the United Nations.

41. The CHAIRMAN said that the Committee had concluded the general debate on agenda items 127 and 128.

AGENDA ITEM 122: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (A/45/130 and Add.1)

42. Mr. SCHUMM (Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) on budgeting in organizations of the United Nations system (A/45/130 and Add.1), said that the objective of the system-wide study on which the report was based was to examine the extent to which standardization and comparability had been achieved in the budgetary and administrative practices of the organizations concerned. Despite the progress made as a result of the efforts of ACC and the Advisory Committee, the problem still remained.

43. Because of the broad scope of the study, a selective approach had been taken and a comparison had been made of several budgeting methods and practices. Since budgeting techniques and methods could not be separated from the overall budgetary and financial policy of the organizations, the study had also dealt with some related budgeting and financial issues.

44. Volume I of the report comprised a cross-organizational analysis of the major techniques, methods and practices used by the organizations of the United Nations system in preparing their regular budgets, followed by recommendations in that regard. It was somewhat general in nature because of the 32-page limit; if the participating agencies so desired, JIU might in the future be able to carry out

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more detailed in-depth studies on specific topics such as calculation of growth rate, standard costs, support costs and budget structures. Volume II contained comparative tables of the techniques and methods used throughout the United Nations system. Those tables had to be adjusted every two or three years to reflect changes in the organizations.

The meeting rose at 5.05 p.m.

UNITED NATIONS

General Assembly

FORTY-FIFTH SESSION

Official Records

FIFTH COMMITTEE
38th meeting
held on
Friday, 30 November 1990
at 10 a.m.
New York

SUMMARY RECORD OF THE 38th MEETING

Chairman:	Mr. KOULYK (Vice-Chairman)	(Ukrainian Soviet Socialist Republic)
later:	Mr. MAYCOCK (Chairman)	(Barbados)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.40 a.m.

In the absence of the Chairman, Mr. Koulyk (Ukrainian Soviet Socialist Republic), Vice-Chairman, took the Chair.

AGENDA ITEM 122: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (continued)

AGENDA ITEM 123: JOINT INSPECTION UNIT (continued) (A/45/130 and Add.1)

1. Mr. ABRASZEWSKI (Poland) said that the report of the Joint Inspection Unit (JIU) (A/45/130 and Add.1) was a very valuable reference document on budgeting in organizations of the United Nations system. In general terms his delegation endorsed the Inspector's recommendations, in particular recommendations 1 to 6. Some of the problems addressed in recommendation 7 had already been considered by the United Nations, and General Assembly resolution 41/213 had made it possible to solve some of them. The suggestions made in recommendation 8 concerning the funding of additional expenditure resulting from currency fluctuations would make a useful contribution to the search for a solution.

2. The JIU report dealt with a more general problem, that of co-ordination among the organizations of the system, which had been taken up by the Committee for Programme and Co-ordination (CPC) at its thirtieth session and by CPC and the Administrative Committee on Co-ordination (ACC) at their latest joint meetings. It was understandable that co-ordination should not be without its difficulties at the programming level, but it might be asked why, after many years of effort, co-ordination was not closer in the administrative and budgetary fields. Was it because the organizations or the Member States did not see any advantage in closer co-operation or because the organizations were reluctant to give up their individual procedures? In any event, it would be useful for Member States to know the Inspector's opinion, because it would be based on an objective assessment.

3. Mr. GIUFFRIDA (Italy), speaking on behalf of the 12 States members of the European Community, said that the excellent report submitted by the Joint Inspection Unit contained a number of pertinent observations on working capital funds, currency fluctuation and budget preparation. The recommendations made in paragraph 130 of the report should be considered in detail, together with the observations of ACC and the Advisory Committee on Administratie and Budgetary Questions (ACABQ). The Twelve would like particular attention to be given to the recommendations on the preparation of budgets by the secretariats of the organizations and their submission to the legislative bodies. Budget documents should give Member States an accurate picture of the inputs needed to secure the desired outputs. Many budget documents, although very voluminous and bursting with figures, did not meet that fundamental requirement. The trend was not irreversible, as could be seen from the fundamental changes recently made by the United Nations Industrial Development Organization (UNIDO) in its budget process. The United Nations Secretariat also seemed determined to make the budget more accessible. The Twelve welcomed that and emphasized that the budget document was intended to define the main policies and enable Member States to have a full understanding of the effects of their decisions.

(Mr. Giuffrida, Italy)

4. Recommendation 2, which called for the calculation of real growth rates by means of re-costing after comparison on a constant cost level, warranted close consideration.

5. Mr. BENNETT (United States of America) said that his delegation supported the recommendation on the method of calculating real growth rates. It would like the Inspector to give his views on the method currently used by the United Nations, especially with respect to the distortions which it caused in the calculation of the Organization's total resources.

6. With regard to recommendation 5, the interest received by the Organization on surpluses in the Tax Equalization Fund offset part of the costs of administering the equalization system. His delegation would like to know the extent to which the Inspector had taken that into account. It recognized that the full reimbursement of such costs on the basis of an agreement between the Organization and the Member States concerned was the best arrangement. Unfortunately, the United Nations had never been willing to negotiate such an agreement with the United States, no doubt for fear of causing a reduction in tax reimbursements - which were indeed excessive - to staff members.

7. Mr. DANKWA (Ghana) said that it was a pity that the Committee had to consider the otherwise excellent JIU report without the benefit of detailed comments from ACABQ and the International Civil Service Commission (ICSC). With regard to the comments of ACC on recommendation 1, the necessity of responding to urgent needs could not exempt the organizations concerned from the requirement of planning their activities. If developments so required, it was always possible to revise the approved plan. Furthermore, in its comment on recommendation 2 concerning real resource growth ACC stated that the proposed formula would have to be considered in the light of the specific circumstances of individual organizations. It would be very interesting to know the Inspector's position on the comments by ACC on those two recommendations.

8. In paragraph 38 of his report the Inspector recommended that organizations should establish a small group of experts on budgetary, financial and programmatic matters, and commented that, from his own experience, such sub-committees were more effective than over-large bodies. That argument would have been more convincing if illustrated by concrete examples. In paragraph 52 the Inspector said that he hesitated to recommend that all the organizations should establish a contingency margin combined with an incentive scheme, but that seemed to be precisely the tenor of his recommendation. The solution described in paragraph 51 begged the question of who would decide which part of the programme budget would have its implementation deferred pending full payment of contributions. In that connection ACC had made some very pertinent comments on the powers and obligations of Member States. On recommendation 5 ACC rightly noted that it was in the first instance the States which taxed the salaries of staff members which should consider the question of the financing of the administrative costs involved in the reimbursement of such taxes.

(Mr. Dankwa, Ghana)

9. It would have been particularly useful to have the detailed views of the Advisory Committee on recommendations 6 and 7. His delegation was not in favour of recourse to borrowing in the event of financial difficulties. It was preferable for the organizations to use their working capital funds, it being understood that such funds should be regularly replenished. In any event, the issue called for more detailed examination.

10. Mr. TEIRLINCK (Belgium) asked what the Inspector thought of the method used by the United Nations to calculate the real growth rate of programmes and budgets.

11. Mr. SCHUMM (Joint Inspection Unit), responding to questions raised by the Polish delegation, said, with regard to recommendation 1, that the system of programme budgeting in the United Nations was relatively satisfactory. On the other hand, serious shortcomings, of which the Secretariat was perfectly well aware, were apparent in such closely related areas as medium-term planning, evaluation, and the programme performance report. The latter was a fundamental tool in the preparation of the programme budget. As document A/45/218 indicated, its content had remained virtually unchanged for years: essentially it still comprised a simple listing of outputs, without any real qualitative analysis of the results of programmes or of their efficiency and effectiveness. In 1988, the Joint Inspection Unit had issued a report on the question, which had so far been accorded scant attention. It was to be hoped, however, that the recommendations contained therein would be duly taken into account in the report which the Secretariat was to submit to CPC at its next session.

12. With regard to the more general problem of inter-agency co-ordination, it seemed that the disappointing results obtained in that area were attributable in part to "human factors", since the specialized agencies were careful to maintain their identities and held the view that they were accountable above all to their own contributors and their own governing bodies rather than to the system as a whole. Moreover the representatives of Governments who sat on the governing bodies of the specialized agencies generally came from different ministries, with possibly divergent interests. It was thus necessary for co-ordination to begin at the level of Member States. ACC had played an effective role in that regard, and progress had been made in some areas (the programme budget itself, the budget structure, budget cycles, etc.); nevertheless, much remained to be done.

13. Responding to remarks made by the Italian delegation, he acknowledged that budget documentation was very technical but said that it could hardly be otherwise. In order to facilitate budget decisions, the Joint Inspection Unit had proposed that programme budgets should contain an annex with an evaluation based on subprogrammes. Since such a procedure would be fairly cumbrous in administrative terms, it had been agreed that it would be introduced on an experimental basis. The Secretariat might indicate what results had so far been obtained.

14. With regard to calculating the real rate of growth, it was essential, both for governing bodies and for Member States, to develop a common methodology, particularly since there was great confusion in that area within the system. JIU had proposed several solutions, with supporting examples. It seemed that the third

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solution, namely a method of re-costing after comparison on a constant-cost level, was preferred. It was certainly the simplest and most appropriate method and gave the clearest results. In any event it would be desirable for the question to be considered in depth by the Advisory Committee on Administrative and Budgetary Questions.

15. With regard to tax equalization funds, it should be noted that recommendation 5 was addressed essentially to Member States. At the United Nations and at most of the specialized agencies, the major contributor was assessed on a gross basis, which provided the resources needed to constitute the tax equalization fund, with interest earned on those resources being credited to the fund. However, the functioning of that mechanism created a certain number of difficulties. Firstly, the costs of administering the funds were not fully covered by the amounts available to the organizations concerned; secondly, for technical reasons, tax reimbursement procedures sometimes took as long as 15 months. Lastly, the mechanism as a whole was extremely complex; it should thus be simplified along the lines of the tax reimbursement agreements already used by some organizations, it being understood that the provisions of such agreements should be far more specific so as to cover all the costs incurred.

16. In response to the remarks made by the representative of Ghana, he said that the report of ACABQ was still not complete and could be expected to contain additional comments on the various points raised. With regard to recommendation 1, he emphasized the link between medium-term planning and preparation of the programme budget. It was imperative to harmonize practices in that area, while improving the evaluation and monitoring of programme implementation. He shared the views of ACC on that matter. Nevertheless, harmonization must not be viewed as an end in itself and it was clear that it could be useful only if the practices adopted accorded with organizational structures.

17. With regard to recommendation 3, he had personally noted that, when it was a question of dealing with financial and budgetary questions, small expert groups were more efficient than broader-based organs. At the Food and Agriculture Organization of the United Nations (FAO), for example, the Finance Committee, of which he himself was a member, worked in perfect synergy with the Programme Committee. Those two bodies, each comprising a dozen members, dealt with purely technical issues. Similarly, at the United Nations, ACABQ, an expert body, functioned relatively well. At the United Nations Educational, Scientific and Cultural Organization (UNESCO), on the other hand, the Executive Board, comprising 51 members, dealt with budgetary questions. Periodically the Board had to establish subgroups to deal with such questions more efficiently.

18. The question of a "contingency margin", which was the subject of recommendation 4, had caused controversy and some errors of interpretation. As stated in paragraph 52 of document A/45/130, the establishment of a contingency margin would simply mean that execution of the approved budget would reflect the availability of the necessary resources. The percentage of resources constituting the margin could be determined on the basis of the average amount of unpaid or late contributions over the preceding five years. The figure of 15 per cent used by

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UNIDO was cited purely as an example. In any event, when an organization did not have the resources needed to implement the programme budget adopted, it was obliged at the outset to establish priorities, which was eminently desirable from the budgetary standpoint, and thus delay implementation of programmes which were not considered to have high priority or to limit allocations for programmes which had long been languishing. The establishment of a contingency margin might be viewed as an excessively rigid measure, but in any event there was no legal or constitutional impediment to the use of such a mechanism.

19. With regard to working capital funds, dealt with in recommendation 6, he was of the view, on the basis of a comparative analysis, that the amount of such funds should not represent more than one twelfth of the overall level of the regular budget for one year. That recommendation would be difficult to apply to the United Nations, owing to the Organization's critical financial situation. Working capital funds should be used mainly to bridge short-term cash flow problems resulting from late payment of contributions. In that connection, it was evident that all the suggestions which he and ACC had made concerning the size and use of working capital funds were secondary to the timely and full payment of contributions; the same was true of the comments on reserve accounts.

20. A number of organizations had introduced an incentive to encourage the prompt payment of contributions, as the Joint Inspection Unit had recommended in 1986 in its report on cash management (A/41/649). The scheme had had varying results and it was too early to say whether it should be extended. But, in all fairness, the interest generated on contributions paid in advance should be reimbursed to those countries which paid in full and on time.

21. Another means of alleviating the financial difficulties relating to non-payment or late payment of contributions was to contract loans. In principle, all organizations could do so but, in practice, they rarely took such a step owing to the problem of interest. As he had stated in recommendation 7, the interest due on loans should be paid by those Member States which did not pay their contributions in full and on time.

22. The measures advocated in recommendation 8 with a view to minimizing the adverse effects of currency fluctuation were already being implemented by most organizations. Organizations which spent over 85 per cent of their expenditure in local currency at headquarters were switching their budget currency to that local currency. Certain organizations, such as UNESCO, the United Nations Industrial Development Organization (UNIDO) and the International Atomic Energy Association (IAEA), used the split assessment system, which consisted in calculating Member States' contributions in the two main currencies of expenditure, with the dollar remaining the currency of account. A third solution was for organizations to buy forward the currencies which they needed. That was the system used by the International Labour Organisation (ILO), which combined it with assessments in the main currency of expenditure. However, because of recent trends in the respective interest rates of the two currencies used (the dollar and the Swiss franc), that solution was no longer advantageous for the Organisation, which should therefore

use another system. As a general rule, and on the basis of the detailed analysis contained in his report he believed that the split assessment system was the most appropriate one for organizations which spent less than 85 per cent of their total expenditure in local currency.

23. Mr. Maycock (Barbados) took the Chair.

24. Mr. TEIRLINCK (Belgium) asked whether the method of zero-base budgeting, which the Inspector advocated and which Belgium had been applying with success for the past few years, was possible or desirable for an organization with as many complex activities as the United Nations.

25. Mr. DANKWA (Ghana) said that the Inspector's use of FAO and UNESCO as examples could lead one to think that the system adopted by FAO, namely a small group of experts, was more effective than that of UNESCO, which was more like a policy-making body. If, as the Inspector had said, small working groups made it possible to bring together different positions on difficult issues, it was still necessary to know what the nature of those issues was. The expert members of a small working group could say what the facts were and what was logical, but that technical aspect was not the only one which should be taken into consideration. In the final analysis, it was also necessary to reconcile divergent political interests. Moreover, in the comparison between UNESCO and FAO, account should also be taken of each organization's volume of work, and consideration should be given to whether the same method should necessarily be adopted in all cases. Finally, the Inspector had referred to his experience in small working groups, but it was not known whether he had had experience in larger groups which might have led him to conclude that the first method was superior to the second.

26. His delegation wondered whether it was entirely appropriate for a technical body to engage in considerations of equity and fairness. Although Ghana was not among the Member States which failed to pay their contributions fully and on time, it believed that the recommendation that those States should pay the interests due and other charges arising from loans which might be necessary could be unfair to countries whose budgetary periods differed from that of the United Nations. Equity and fairness also presupposed an analysis, in each case, of the reasons for late payment or non-payment of contributions.

27. Mr. SCHUMM (Joint Inspection Unit), replying to the question raised by the representative of Belgium, said that he was in favour of zero-base budgeting because that was a logical and judicious technique which, even if it was more difficult for secretariats to apply, had the advantage of starting from scratch each time. However, no organization opted entirely for zero-base budgeting or incremental budgeting, since reality was always somewhere between the two.

28. Replying to the remarks made by the representative of Ghana, he said that his own experience had taught him that small groups of experts were more effective because they made possible a real dialogue on specific issues, both among the members of the group and between the members of the group and secretariats. While

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technical bodies were able to explain the potential consequences of different solutions, the final choice of one solution or another fell within the competence of policy-making bodies. If initial consideration was left to the latter, a true dialogue would be impossible since, in those bodies, delegations generally confined themselves to prepared statements. Moreover, the activities of secretariats were better scrutinized by technical bodies.

29. With respect to late payment or non-payment of contributions, he could only rely on the provisions contained in the Financial Regulations and Financial Rules, which had been adopted by policy-making bodies and were binding on all Member States. It was not unreasonable to request Member States, regardless of the starting date of their budgetary periods, to make the necessary appropriations for their contributions. Moreover, it was only fair for the countries which paid their contributions fully and on time that the resulting surpluses should be distributed in proportion to actual contributions paid and/or on a pro rata temporis basis.

30. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that, regardless of the merit of the recommendations contained in the JIU report, the simple fact that all that information had been collected in one document was extremely useful and was in itself a tool for co-ordination. He did not share the Inspector's pessimism with regard to the possibility of making budget documents simpler and more legible. With respect to the quality of reports on programme execution, the objective was to deal both with programme execution and with budget performance; however, the Secretariat's task was to explain the facts objectively - to say why one output had been replaced by another, and so forth - and not to pass judgement on its own activities, which was the task of JIU.

31. With respect to the contingency margin, he reiterated the objections made on that subject in the report of ACC. With regard to budgeting methods zero-base budgeting was certainly the ideal solution but it was not clear whether its adoption would substantially change the budget itself, in view of the nature of the United Nations, the respective roles of Member States and of the Secretariat, and the enormous burden of staff costs. The representative of Ghana had made a very important observation on the difficulty, or even impossibility, of distinguishing the technique from budgeting and planning policies.

The meeting rose at 12.30 p.m.